

Table with exchange rates for various currencies including US Dollar, British Pound, Japanese Yen, etc.



Prime Minister Yitzhak Rabin, front, and Foreign Minister Shimon Peres of Israel at a cabinet meeting Monday in Jerusalem. They argued for approval of the peace proposal.

'HORIZONS TO PEACE ARE OPEN'

Israeli Government Approves Self-Rule for Jericho and Gaza

By Clyde Haberman

JERUSALEM — With hopeful forecasts of a new era for the Middle East but also with angry warnings of danger from several thousand protesters, the Israeli government formally approved a draft agreement with the Palestinians early Tuesday that Prime Minister Yitzhak Rabin said could be signed at peace talks resuming in Washington later in the day.

had been worked out at secret meetings held in recent days by Foreign Minister Shimon Peres and top PLO officials. "There is a stirring in the entire Arab arena in their readiness to make peace," the prime minister continued. "Not that there aren't obstacles, not that their aren't difficulties. But I'm convinced that the horizons to peace are open."

chairman, saying that "he personally and those who are with him are to pay the price." In Jerusalem, several thousand anti-government demonstrators rallied outside the prime minister's office as the Rabin cabinet convened Monday night, a protest that turned unruly at times as people scuffled with the police and in turn were dispersed with bursts of water cannons.



And at an often-raucous session of the parliament, rightist lawmakers led by the opposition Likud party hounded down Mr. Peres as he defended the draft agreement, accusing both him and Mr. Rabin of having lied to the Israeli people by dealing with the PLO and of having paved the way for an eventual Palestinian state that would imperil Israeli security.

Radical Threatens Arafat and Sees Civil War

Compiled by Our Staff From Dispatches

BEIRUT — A radical Palestinian guerrilla leader warned Yasser Arafat on Monday that he could face assassination over a proposed agreement with Israel and said that the pact would spark a Palestinian civil war.

Front for the Liberation of Palestine and the Democratic Front for the Liberation of Palestine, rejected the plan. And the Islamic Resistance Movement, or Hamas, warned that an accord could start a civil war in the occupied territories.

Popular Front for the Liberation of Palestine General Command, said: "While we remind Arafat of the fate of Sadat and Sartawi and others, we remind him that he personally and those who are with him are to pay the price. Tomorrow is never far away."

Sartawi, a leading member of the Palestinian parliament-in-exile, was assassinated in a Portuguese hotel in 1983. Responsibility for his killing was claimed by the Fatah Revolutionary Council led by Abu Nidal, who threatened to kill Mr. Arafat in 1974 and was sentenced to death and expelled from El Fatah.

Life Sentence for a Leak Beijing Cracks Down on an Editor Who Helped Scamp the Party Chief

By Lena H. Sun Washington Post Service BEIJING — The authorities sentenced an editor to life in prison on Monday for having sold "state secrets" to a Hong Kong journalist who was then able to scoop the Communist Party chief, Ziang Zemin, by publishing a major speech a week before Mr. Ziang gave it.

officially made public. The Hong Kong reporter was detained in Beijing for several days before being expelled to Hong Kong. The severity of the sentence appears to reflect the degree of embarrassment by China's top leaders over the leak of a major policy address. It is also intended to warn mainland Chinese and overseas journalists about trying to report too fully on China despite official propaganda of "a more open China."

U.S. Army Raid In Somalia Nets UN Aid Workers

By Donatella Lorch New York Times Service NAIROBI — In an inauspicious beginning, elite U.S. Army Rangers mounted their first major operation in Somalia early Monday, dropping from helicopters and storming several Mogadishu houses only to find one deserted and another full of United Nations workers whom they tied up and briefly detained, UN and Pentagon officials said.



HANDLING A DEADLY THREAT — A Bosnian Serb clearing an anti-personnel mine Monday near the northern town of Doboj. With talks set to resume in Geneva, the United States said it would provide troops if a fair accord was reached. Page 6.

No ANC Censure For Torturers

JOHANNESBURG (AP) — The African National Congress, seeking to rid itself of a scandal, apologized Monday for past cases of torture and summary executions inside its former guerrilla camps, accepting "collective responsibility" for the abuse.

Buy Your Visa to Canada, But Read the Small Print

By Annie Swardson Washington Post Service VANCOUVER — Canada's "buy-a-visa" program has been a veritable gold mine. Launched in 1986 to allow wealthy foreigners to obtain permanent residency by investing at least \$120,000 in Canadian enterprises, the program has attracted billions of dollars, most of it from Hong Kong and Taiwan. Studies show that more than 10,000 jobs were created by the investments.

wanted stability, security and a good place to educate his three sons. When he turned over \$120,000 to a government-sanctioned investment fund specializing in real estate, he expected a decent return. Years later, he found out where his money had gone. Instead of building shopping centers in Vancouver, Mr. Wu's investment had been funneled into a gold mine nearly 1,000 miles away. The mine, in the province of Saskatchewan, subsequently declared bankruptcy. Mr. Wu now works full time on a \$25 million lawsuit attempting to recover his funds and those of 230 other families.

It's Not Easy Behaving Well in France, Critics Say

By Christopher Petkanas International Herald Tribune PARIS — If you've ever wondered, but didn't know whom to ask, what to wear to a *haut bourgeois* French cocktail party (as opposed to a *haut bourgeois* French wedding), whether to bring or send chocolates or flowers to a 7th-arrondissement hostess or how to ask for a drink as a guest in a French household when, bizarrely, absolutely none have been forthcoming, there is help at hand.

bonnes familles who have time on their hands and an almost unreasonable interest in French mores — especially those that govern the tricky institution of the table — have been attending courses in flower arranging, decoration, architecture, art history, music (under the heading "The European Romantic Soul"), traditional *Le Monde*-style pastry making, wine, fashion and *politesse* at the 18th-century *Château de la Roselle* in Collettes, near Blois, in the Loire Valley.

some of the same questions, but posed by a different audience: U.S. Embassy employees and executives from companies such as General Motors, Apple Computer and Coca-Cola. One of her seminars tackles "the sacrament of the meal in France," embracing the business lunch and the dinner party. The *slightly* umbragued but stylish *velite famille* quality of the rue de Varenne apartment out of which she teaches seems calculated to assure her groups that they

Arrest for Cocaine Gets Bad Reviews for a Flamboyant Japanese Movie Mogul

By Andrew Pollack New York Times Service TOKYO — The flamboyant Japanese movie mogul and publisher who co-produced the short-lived Broadway musical "Shogun" could face the unraveling of his empire following his arrest on suspicion of cocaine smuggling.

that he ordered an aide to buy cocaine for him in Los Angeles. On Monday, the case was given to prosecutors for probable indictment. Mr. Kadokawa has denied trying to bring cocaine into Japan, according to the police. Mr. Kadokawa, 51, has produced dozens of films and directed several, including "Heaven and Earth," a big-budget 1991 samurai war drama that was a hit in Japan, although it fared poorly in the United States. He is also known for co-producing the 1989 Broadway production of "The Three Penny Opera" starring the rock singer Sting.

written him off and are distancing themselves from him as fast as they can. Executives of Kadokawa Publishing held an emergency meeting Monday and decided to push for Mr. Kadokawa's removal as president of the company, which was founded by his father. The executives decided to take out a newspaper ad apologizing for the incident and to suspend all other advertising for the time being as a way of expressing the company's shame.

successful movies said it would withdraw the movie from the theaters a month earlier than expected because it was produced and directed by Mr. Kadokawa. The movie, "Ren," about a girl and a baby tyrannosaur, capitalized on the dinosaur fever created by the release of the American movie "Jurassic Park."

National Police Agency said that Latin American drug cartels viewed Japan as a potentially large but untapped market and were trying to expand their sales here.

The police said Mr. Ikeda made five trips to Los Angeles in the last year and was buying cocaine on the instructions of Mr. Kadokawa. The publisher is suspected of using the drug himself and of distributing it to associates.

From Bad to Worse? Jackson's Tie to Kids as Liability

By Megan Rosenfeld
Washington Post Service

WASHINGTON — Michael Jackson has long been a man of many obsessions. For years his fans have known about his fascination with animals and the exotic species he owns, and his concern about his looks and his health. Until recently, his love for children and the trappings of childhood gave him the image of an eccentric but innocent philanthropist. But his preoccupation with children threatens to become the Achilles' heel of his trademark loafers.

Regardless of the allegations of sexual abuse made by a 13-year-old Los Angeles boy, it seems clear that there are two sides to Mr. Jackson's love for kids. There is a generous, joyous side to this obsession, but there is also a more confusing one. This passion, rooted in his turbulent childhood, may have led to his most excruciating moment; his best defense is that he became a tempting target made vulnerable by his own actions.

Several youths have come forward to proclaim having had friendships with Mr. Jackson, 35, when they were 10 or 11

or 12, and to say that nothing sexual happened. They speak, they say, in his defense. All they did was play together, buying toys, having water fights, spending the night in the same bed, for fun. But even as they defend him, they raise questions.

"What man has had 11-year-olds in his home staying with him and staying in his bed?" said Joan Johnson, a social worker in Los Angeles, who has worked with child abuse victims. "People like me go. 'What is going on with this guy?'"

Until now, public interest in Mr. Jackson's attachment to children has been nothing more than curiosity. His charities have ranged from the large (47 tons of supplies for Bosnian children) to the personal (visiting a child who had been mauled by dogs). He had two hospital beds installed in the movie theater on his ranch so that visiting kids too sick to sit up can watch the show — usually a Disney movie.

"One of my favorite pastimes is being with children — talking to them, playing with them in the grass," he told an inter-

viewer for Melody Maker magazine in 1981.

"They notice everything," he wrote in "Moonwalk," the 1988 book about himself. "They aren't jaded. They get excited by things we've forgotten to get excited about anymore."

According to documents filed by the Los Angeles Department of Child Services, the 13-year-old who has made the charges said that the singer called him every day for long conversations, that he bought him toys and took him to Las Vegas, where they watched a tape of "The Exorcist." The boy said he and Mr. Jackson had been so scared by the movie that they had slept in the same bed, and had done so other times at both of their homes. And that after several of these sleep-overs Mr. Jackson began kissing him and ultimately engaged in sexual acts.

Aside from the sexual allegations, the story is consistent with those told by other boys about Mr. Jackson.

Brandon Adams, a young actor now 15, was 10 when he played the young Michael Jackson in the video "Moon-

walker." For almost two years, Mr. Adams has told reporters he was a "special friend," invited to travel with Mr. Jackson, dress like him and spend the night. Nothing untoward happened between them, he says.

Wade Robson is 10 and Australian; he met Mr. Jackson after winning a contest and was subsequently flown to the United States to be in a Pepsi commercial. He has also spent the night with Mr. Jackson, who put Wade's mother, Joy, on his payroll for a time.

In various accounts, the boys who have spoken publicly describe doing "fun stuff" with Mr. Jackson, such as water-pistol fights, pranks, food fights. And Mr. Jackson's ranch 120 miles about 190 kilometers) northwest of Los Angeles certainly sounds like a boy's paradise.

There are 35 video games, an Indian village, a three-car train decorated with golf carts, a lake with a "Sis" island on a ferry boat, every toy conceivable, a vast kitchen where monogrammed cookies are baked, a staff of servants to clean up, a Ferris wheel, a merry-go-round, two

horse corrals, a basketball court and some dangerous wild animals.

Ms. Johnson, the social worker, said that if she had heard of an adult's cultivating close relationships with a number of young children and sleeping in the same bed with them she would immediately have launched an inquiry.

"The red flags would be flying for me high and fast," she said, adding, "Why isn't he associating with his peers?"

Other people do not feel so alarmed. "I totally believe 100 percent in Michael's integrity," Elizabeth Taylor said in an interview with Newsweek magazine en route to Singapore to join Mr. Jackson, who has been performing there.

J. Randy Taraborelli, who has written a biography of Mr. Jackson, said: "We've always known that Michael was friendly with children. For it to be used against him now is just unfair."

A psychiatrist who asked not to be identified said: "It's a guy who has had a lot of trouble figuring out who he is supposed to be, and people like that are often more comfortable with children because they are less threatening."



Singapore fans signaling their disappointment Monday that a Jackson concert had been postponed until Wednesday.

Aide Had Sought To 'Buy Time'

Compiled by Our Staff From Dispatches

LOS ANGELES — Michael Jackson's security consultant said he had delayed telling the police about an alleged extortion attempt on the singing star for more than two months in order to "buy time" and "discredit" those making allegations against the entertainer.

"I knew that time was on my side," Anthony Pellicano said. "The longer the negotiations went on, the more discredited they were."

Mr. Jackson is being investigated by Los Angeles authorities after a 13-year-old boy alleged that the singer turned their friendship into a sexual relationship, Mr. Pellicano and Mr. Jackson's attorney, Howard Weitzman, have told the media that the accuser's father, a Beverly Hills dentist and one-time screenwriter, had demanded \$20 million to advance his screenwriting career.

Mr. Pellicano said that he had sat "in awe" at a meeting Aug. 5 as the dentist gave a "spiel like a salesman telling me how this would benefit Mr. Jackson tax-wise."

When the offer was refused, Mr. Pellicano said, the father ordered his attorney to report the child's allegations. Mr. Pellicano says he then offered the father's attorney a "\$230,000 one-time development deal" in order to trap him. He says he received a letter from the lawyer on Aug. 17 declining the offer.

On the same day the father took his son to a therapist, who reported the allegations to the authorities.

In Singapore, Mr. Jackson called off a concert Monday after suffering a severe headache and becoming nauseated as he prepared to go on stage. The show was rescheduled for Wednesday. (WP, AP, Reuters)

WORLD BRIEFS

Red Cross Appeal on Civilians in War

GENEVA (Reuters) — The International Committee of the Red Cross denounced the savagery of modern warfare on Monday and appealed to governments to uphold humanitarian law protecting civilians.

The call was made by the organization's president, Cornelio Sommaruga, at the start of a three-day conference organized by Switzerland that is due to draft a declaration affirming compliance with the Geneva Conventions of 1949, which safeguard the rights of prisoners and civilians during armed conflict.

"Tragically, today war is almost everywhere," Mr. Sommaruga said in an address to delegates from 160 countries. He added: "Entire civilian populations have been displaced, becoming victims of revenge, harassed, threatened by famine, and struck by indiscriminate bombings."

Greek Aide Charged in Wiretapping

ATHENS (Reuters) — A former senior aide of Prime Minister Constantine Mitsotakis was charged Monday in connection with a wiretapping scandal rocking Greece's conservative government.

Court officials said the former aide, Nikos Gryllakis, who was security adviser in the ruling New Democracy Party until last week, was charged with masterminding a plot to tap the telephones of opposition politicians and party rivals of Mr. Mitsotakis from 1988 to 1990.

Senior prosecutor Achilles Dafonitis also charged Mr. Gryllakis, a retired general, with forging state documents but gave him 20 days to prepare his defense. Mr. Gryllakis will testify before the prosecutor on Sept. 20, and Mr. Dafonitis will then decide whether to jail him pending trial.

Haitian Prime Minister Takes Oath

WASHINGTON (AP) — Robert Malval, a 50-year old businessman, was sworn in Monday as prime minister of Haiti by the man who chose him for the job, the deposed president, the Reverend Jean-Bertrand Aristide.

"My government has one goal: Restore democracy as of today," Mr. Malval said, speaking five days after his selection as prime minister received final approval by the Haitian parliament. The swearing-in took place at the Haitian Embassy in Washington so that Father Aristide, who has been in exile since a military takeover in 1991, could attend.

Under an agreement worked out by international mediators, Father Aristide will return to Haiti as president on Oct. 30. "Today is a sign that the return to democracy will become a reality," he said Monday.

For the Record

A total of 76 people died in Tajikistan when a plane crashed that was carrying more than twice its permitted number of passengers, officials said Monday. The Yak-40 passenger jet was carrying 80 people, nearly 50 more than its capacity, when it crashed over the weekend after takeoff near Khorog, capital of the remote Gorno-Badkhash region. (Reuters)

Correction

Because of a transcription error, some words were omitted from the "What They're Reading" feature in the Leisure section of Friday's edition. Sir Peter Ustinov's comments regarding Sheridan Morley's forthcoming "Robert My Father" should have read: "I am reading it slowly, not because it is in any way tough going but because I wish to drag out the pleasure; Robert himself might have observed that vintage port is not drunk in order to quench the thirst."

TRAVEL UPDATE

Fires Blacken Mt. Olympus and Capri

ATHENS (AFP) — Fires are still devastating many of southern Europe's most scenic sites, including Mount Olympus in Greece and the Italian island of Capri, fire-fighting services said Monday.

Two Greeks died in forest fires over the weekend, bringing to 18 the number of people killed in fires in Greece this month, while 15 tourists were injured in a blaze on Capri on Saturday.

Greek fire officials said that in addition to fires on Mount Olympus and at Tricakia, blazes were still raging in Samos, in Arcadia, southern Greece, Metsovo; in the northwest, and the northern Koroni region. In Italy, blazes were still out of control in the south, of Capri. Fires also continued in the island of Sardinia; the Abruzzi Mountains and the southern region of Calabria.

The German airline Lufthansa said it was adding a third weekly flight between Frankfurt and Alma-Ata, Kazakhstan, and a new stopover flight between Hamburg and St. Petersburg. The additional flights to Alma-Ata will begin on Sept. 12. Hamburg-St. Petersburg service will consist of four flights a week beginning Oct. 31. (Reuters)

Tolls on French automobiles are to rise by an average of 3 percent from Wednesday, the association of companies administering French automobiles said Monday. (AFP)

The Eiffel Tower greeted its 150 millionth visitor on Monday — Jacqueline Martinez, 33, who was given a red Citroën ZX coupe among other gifts. (Reuters)

Soviets 'Bear No Guilt' in KAL 007 Disaster, Russia Finds

By Margaret Shapiro
Washington Post Service

MOSCOW — An official Russian commission said Monday that the downing of Korean Air Lines flight 007 ten years ago was caused by "a series of blunders and mistakes" by pilots of the commercial aircraft and that the Soviet Union was not at fault.

The findings basically track those issued in June by the International Civil Aviation Organization, but the Russian commission was more sweeping in its exoneration of Soviet authorities, saying they bore no guilt to the disaster on Sept. 1, 1983, in which 269 people were killed.

"It turns out that the Soviet Union bears no guilt for this incident," said Sergei Filatov, chief of staff to President Boris N. Yeltsin. "The tragedy was the result of a whole chain of mistakes and coincidences, and not deliberate or malicious intent."

The International Civil Aviation Organization reported that the KAL 007 crew had allowed the plane

to stray far off course, but it also found that Soviet authorities had destroyed the plane despite "some doubts about its identity."

The Russian commission was set up a year ago by Mr. Yeltsin after he visited Seoul and called the KAL tragedy "the criminal act of a criminal regime." He also turned over to Korean authorities the plane's black box, which Soviet authorities had long denied they possessed.

Mr. Filatov, the head of the commission, said Monday that when KAL 007 strayed deep into Soviet airspace, Soviet air defense forces were convinced that it was an enemy spy plane and a dispatched a fighter to intercept it.

When the passenger plane did not respond to warnings, the fighter fired a missile, hitting the plane in the rear and killing all on board.

At a news conference on Monday, Mr. Filatov and other commission officials cited several serious errors made by the Korean crew that led to the tragedy: It

set a faulty course minutes after taking off from Anchorage, Alaska, that took it over Soviet territory; it failed to properly report the plane's position as it flew west, and it failed to answer a "friend or foe" signal from the approaching Soviet attack fighter.

At that point, "the fighter received the order to attack the Boeing 747, which was thought to be an intruding RS-135 spy plane," said Rudolf Teimurasov, head of the Russian Flight Safety Commission, who participated in the news conference with Mr. Filatov.

Mr. Teimurasov said that after the plane was attacked it ascended briefly and then started a downward movement. The descent lasted about nine minutes. The plane moved along "a rather gentle spiral" before crashing into the sea, he said.

The Russians defended the air defense forces against the contention of the International Civil Aviation Organization that, harboring some doubts, they should have followed procedures to intercept a civilian, not military, aircraft.

Mr. Filatov said the military had been "motivated by the conviction that the airspace of the U.S.S.R. had been invaded by an intruder air force plane."

He expressed his condolences to the families of the victims but turned aside questions about whether Russia, as a former state of the Soviet Union, should pay compensation to the relatives of those killed in the tragedy.

Earlier this month, South Korea made a formal request for compensation. Russian officials at that time said that any remuneration should be made by the airline, Korean Air.

On Monday, when asked about compensation, Mr. Filatov said only that it was clear from the commission's investigation that "the Soviet Union is not to blame for this incident."

He said that in recognition of the tragedy, the foundation for a new monument to the victims would be laid on Wednesday in Sakhalin, near where the plane went down.

VISA: Immigrants to Canada File Suits on Investments

Continued from Page 1

agers of the investment fund, but Mr. Wu believes Canada played a role as well. "The government was not responsible for our loss," he said, "but we feel the government had an obligation to ensure the honesty of the fund's management."

Other lawsuits filed by immigrant investors across Canada also allege mismanagement — 30 percent commissions, for instance, or money raised for buildings that were never built or conflicts of interest between managers of investment funds and managers of projects where the funds were invested.

The government has rewritten the regulations overseeing the program, raising the penalties for abuses and tightening federal oversight. Still, applications for the program have fallen off, and those who lost money must try to recover it

under the laws in effect when they signed up.

The history of Canada's buy-a-visa program highlights an irony of immigration policy in many developed countries: The nations do not particularly want lots of people, but they like getting lots of money. In particular, they want "risk capital" — funds for projects too risky for a standard bank loan but potentially worthwhile, such as the start-up of a small business.

"These are investment vehicles, so there is risk involved," said John F. Martin, director of business immigration policy for Public Security Canada, the government agency that oversees immigration. Emphasizing that the abuses concern a minority of the investment funds, he said: "The program is built around commercial risk. These investors are told in interviews to look at the investments carefully; the cautions are out there."

When the Canadian program began in 1986, it was designed to bring in investment capital. It was modeled after an earlier program under which immigrants set up and operated their own businesses. The new program provided a gateway for wealthy immigrants, presumed to have high levels of skill, who were not yet familiar enough with the Canadian market to manage their own businesses.

Thailand, Moving To Stem Violence, Closes Schools

The Associated Press

BANGKOK — The authorities announced Monday that they were increasing police protection in southern Thailand after a series of violent attacks and that schools would close weeks early for the semester break for the safety of teachers and students.

In the latest violence, a passenger bus was hit by machine-gun fire in Yala, one of three troubled provinces. No one was wounded.

Prime Minister Chuan Leekpai said he was cutting short his trip to China.

The recent violence, in which half a dozen people have died, began with the burning of more than 30 schools to the south on Aug. 1-2. A university student died in an ambush of a passenger train, and a monk was killed by a grenade thrown into a Buddhist temple compound during evening prayers.

Some officials have blamed Muslim separatists. But the attacks have mystified many, since the south's various armed movements have been very quiet in recent years because of the success of a government amnesty program.

RAID: Ranger Success, or Snafu?

Continued from Page 1

prevented casualties that could have "turned an embarrassing fiasco into a tragedy."

A Pentagon official described it as "not a serious fiasco," but an operation that was "not particularly auspicious for the Rangers."

Major Stockwell would not reveal the precise nature of the two-hour mission, which involved more than a dozen helicopters and about 50 Rangers and soldiers from the army's quick-reaction force.

A total of 400 Rangers, who are specially trained for night raids, arrived in Mogadishu on Friday. A UN military official had said they were deployed to help capture the fugitive Somali clan leader, General Mohammed Farrah Aidid.

UN officials say General Aidid is responsible for the ambush slayings of 24 Pakistani peacekeepers on June 5. He went into hiding on June 17 and has avoided capture while his followers have besieged the UN forces in south Mogadishu, killing more than 30 peacekeepers and harassing them with mortars and rockets.

UN officials, discussing the Monday raid, said that although the presence of the UN employees was probably an accident, the fact that the intended target was desert-dweller that military intelligence

reports were either not good enough or outdated.

There were conflicting reports as to the purpose of the raid. Some officials said it was in response to mortar attacks on the airport Sunday evening that slightly wounded four Rangers. Others said the military had been after General Aidid or his followers.

The raid began at about 3 A.M. as helicopters swooped down in a neighborhood in southern Mogadishu in what appeared to be a precisely prepared attack.

They shot out the huge spotlights on the roof of the clearly marked French relief compound, said Mr. Seyveller, who was in the house at the time. And then, under the cover of darkness, soldiers dropped down on ropes into the compound and into other nearby compounds, using explosives to blow through walls.

The soldiers then entered the UN compound, blowing out windows and doors with percussion bombs. Three foreign UN workers and five Somali employees were handcuffed and detained. The soldiers refused to release them even after they produced UN passports.

Major Stockwell said the workers had been living outside a UN-designated safe area, in a zone the United Nations considers dangerous Aidid territory.

Protest in Nigeria Beginning to Bite

Compiled by Our Staff From Dispatches

LAGOS — Service stations run out of fuel and air traffic was grounded nationwide on Monday as a three-day-old anti-government strike began taking its toll on the nation.

Thousands of passengers were stranded at the country's 17 domestic and international airports because of fuel shortages caused by oil workers' strikes and walkouts by air traffic controllers.

General Ibrahim Babangida touched off the unrest by voiding the results of a June 12 presidential election that was to return the nation to democracy after a decade of military rule.

General Babangida retired Thursday after eight years in power and turned over the government to a widely opposed group of hand-picked supporters.

The Nigerian Labor Congress, which is made up of 41 unions and says it has 4 million members, began a strike on Saturday in an effort to force out the new government.

Ezekiel Anzaku, a Labor Congress official, said General Babangida had "installed people who are answerable to him only."

Many of Nigeria's labor leaders have gone into hiding to avoid arrest.

The effects of fuel shortages were felt nationwide. Soldiers and policemen were used to control crowds who mobbed gas stations.

Military air traffic controllers were pressed into service at airports, but the numbers were not enough to offset the walkouts.

At the two Lagos ports that handle 60 percent of the country's imports and exports, not one oil tanker has been loaded since the strike began on Saturday. Oil provides 80 percent of government revenue.

The interim government, headed by Ernest Shonekan, a businessman, has promised to hold new elections early next year.

The ballot canceled by the government was apparently won by Moshood K. O. Abiola. While previous protests have largely been concentrated in Mr. Abiola's ethnic stronghold in the southwest, there were reports of participation in the strike in the more ethnically mixed central region. (AP, Reuters)

OVERHEARD

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STATESIDE / ANATOMY OF AN ASSAULT

On Bungled Cult Raid, Senior Aides Passed the Buck

By Stephen Labaton

WASHINGTON — Senior officials of the agency that conducted the botched raid on a religious cult near Waco, Texas, early this year left the major decisions to agents who had no training in large paramilitary missions, investigators have found.

The findings, part of an internal review to be made public in mid-September, determined that the director of the agency and other senior officials made misleading statements about what had occurred in the Feb. 28 raid, in which four agents and at least six members of the Branch Davidian cult were killed.

Investigations and officials involved in the review said they had found fundamental problems with the planning, execution and follow-up of the operation, which began a 51-day standoff with the cult and its leader, David Koresh.

To end the standoff after 51 days, Attorney General Janet Reno approved a plan to pump tear gas into cult buildings. As that was being done, a fire broke out that killed most cult members, including at least 17 children.

Investigations and officials involved in the review said they had found fundamental problems with the planning, execution and follow-up of the operation, which began a 51-day standoff with the cult and its leader, David Koresh.

POLITICAL VOICES

House Democrats Have Bad News For Clinton

WASHINGTON — President Bill Clinton returns to the legislative battles with a warning from a prominent Democrat that a majority of House Democrats oppose the free trade agreement with Mexico and Canada.

Supreme Court is Still Publicity-Shy

WASHINGTON — For the second time this year, the Supreme Court is agitated over the release of court materials that allow the public a rare glimpse into an institution wedded to secrecy and decorum.

Quote/Unquote

President Bill Clinton, asked at the end of his vacation on Martha's Vineyard if he was ready to return to Washington to do battle with Congress: "I'm ready. I wish I had another week to stay. I'm a little spoiled now."

Away From Politics

A doctor in Austin, Texas, says he is treating two lesbians who have HIV, the virus that causes AIDS, and who may have become infected through sex with women.



The Clintons at the Martha's Vineyard airport, bidding people farewell after a 10-day vacation on the Massachusetts island.

The Knotty Problems of the Health Plan

By Robert Pear

WASHINGTON — Less than a month before President Bill Clinton is to unveil his proposal for a national health insurance program, disputes have broken out among administration officials over how to finance it and how tightly to limit overall health spending.

E. Rubin, assistant to the president for economic policy, Treasury Secretary Lloyd Bentsen, and Laura D'Andrea Tyson, who heads the Council of Economic Advisers.

D. Harken Dies at 83, Heart Doctor

Dwight E. Harken, 83, the father of heart surgery and the creator of innovative care units for critically ill patients, died Friday of pneumonia at a hospital in Cambridge, Massachusetts, where he had lived.

New Idea for Flooded Midwest Lands: Let Them Be Rivers

WASHINGTON — In the aftermath of the worst flooding in American history, the Clinton administration is seriously considering proposals to convert entire towns and large tracts of farmland into wetlands rather than rebuilding levees to protect them.

Rivers, a conservation and preservation group that has advocated a new national policy. "Traditionally, when we recover from natural disasters, we tend to return to the status quo. The Clinton administration has taken the first steps to get out front and take preventive steps. They recognize that our reliance on engineering solutions has made matters much worse. Now there is an emphasis on nonstructural solutions."

Up to 100,000 Ordered To Flee Atlantic Storm

The Associated Press NAGS HEAD, North Carolina — Up to 100,000 people on North Carolina's barrier islands were ordered to evacuate Monday as a hurricane headed toward the central East Coast.

EDUCATION DIRECTORY

Advertisement for French 66 in the Ardennes or in Provence, highlighting the advantages of CERAN concept residential courses since 1975.

Advertisement for European University International Business School, featuring a career guide and contact information for various campuses.

Advertisement for Maxim's Hotel Management International Institute, offering diploma and master's programs in hotel management.

Advertisement for 'The Future of Privatization in Europe', a major international conference to be held in Paris on November 9-10.

INTERNATIONAL Herald Tribune

In the Noble Impulse to Intervene, Some Deadly Traps

By Dimitri K. Simes

This is the first of two articles.

WASHINGTON — So far, despite a lot of public agonizing and brave talk, the Clinton administration has yet to use force in Bosnia. But there is little doubt that President Bill Clinton and his advisers have a strong urge to accept, on behalf of the United States, worldwide responsibility for peace, tranquility and stability in the Balkans.

up without a fight was predictable. It was similarly easy to anticipate that many Somalis would not look favorably on a military campaign against their leader. Yet the Clinton administration's reaction is enough to give one the impression that General Aidid's refusal to surrender is the moral equivalent of challenging God's will.

and their sponsors in Belgrade to a U.S. air strike is uncertain. But the Bosnian Serb leader Radovan Karadzic has warned of terrorist attacks similar to the attack on the World Trade Center in New York — if American intervenes on behalf of the Muslims. The head of the Serbian Radical Party, Vojislav Seselj, has threatened missile attacks against Italy, Croatia and Austria.

more severe. It is an illusion that Europeans are yearning for assertive U.S. leadership. They want a U.S. presence and they want America to serve as a protective shield, when necessary. But they have little tolerance for being pushed around by Washington's own interests and perceptions.

deal with centrist forces, arranging early elections and creating a credible government. With Russia's natural resources, its highly educated labor force, and its motivated recovery could take much less time than just West-ern economists think likely. By the beginning of the 21st century, if not sooner, Russia may again be a force to reckon with in world affairs.

The writer is chairman of the Center for Russian and Eurasian Programs at the Carnegie Endowment for International Peace. He contributed this comment to The Washington Post.

Gaza and Jericho First

Why not? The broader Arab-Israeli peace talks were stalled. The Israelis gradually got the idea of breaking off a simpler corner of the problem — a quick turnover of some Palestinian self-governing functions in the two places and a measure of Israeli military withdrawal or redeployment. The Palestinians perhaps see it as a way to turn from feuding among themselves to negotiating with an Israeli Labor government open to at least some of their basic concerns.

a half-way house strategy. But among those Palestinians ready for a land-for-peace exchange with Israel, there is an urgent yearning to get the process under way. It is no accident that Gaza-Jericho surfaced as a live negotiating option only when the United States notched up its level of participation in the talks and Secretary of State Warren Christopher directly engaged. Unsure of themselves, distrustful of each other, Israelis and Palestinians both sought the reassurance of a strong U.S. role.

Time to Leave Somalia?

A humanitarian mission to deliver food to millions of starving Somalis is degenerating into an obsessive search-and-destroy operation against supporters of a single warlord, General Mohammed Farah Aidid. U.S. soldiers, welcomed with smiles, now worry about snipers and booby traps.

ambush's presumed author, General Aidid, thereby shutting him out of political negotiations. Until then the general's participation had been considered crucial to a settlement. Admiral Howe's misjudgment quickly changed the character of the UN mission. UN forces continue to do much good in other areas of the country, but in south Mogadishu, General Aidid's stronghold, casualties have mounted and relief operations have been set back.

The U.S. view of the mission in Lebanon was strikingly different. According to President Ronald Reagan, U.S. Marines were sent to Beirut as part of a multinational force on a "purely peacekeeping" mission. It came as a shock to Secretary of State George Shultz that the marines increasingly came under fire from "ungrateful" Lebanese radicals.

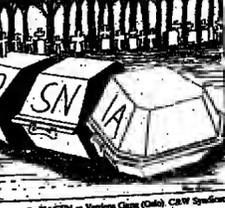
To the Brink of a Bosnia Sellout

By William Safire

PARIS — More than 10,000 U.S. troops drawn mainly from the 1st Armored Division in Bad Kreuznach, Germany, were on the verge of being sent as part of a NATO force to Bosnia-Herzegovina to impose the wrong peace to the wrong place at the wrong time.

No doubt the Bush administration two years ago to the UN cutoff of arms to the Bosnian Muslims was a diplomatic blunder. But this year's false starts belong on Bill Clinton's doorstep.

People of my strategic persuasion favored a hunkering-down of UN humanitarian aid to the scene while Western powers gave Serbian irregulars a taste of their own medicine. Such sustained bombing of artillery positions, supplies and bridges, combined with an increased blockade of Serbia and Croatia, would have set the stage for a partition that would not have left Bosnia an economic basket case.



could only plead that slow strangulation in ghettos would be better than quick death in war. America will not defend with its lives what it cannot defend with its conscience. The problem is not the Bosnian unwillingness to submit to hopelessness; like good victims, the problem is the Serbian-Croatian demand for Muslim humiliation and the Western powers' lack of backbone.

The New York Times.

Yeltsin's Battle With Parliament Will Fix Democracy's Limits

By Brian Beedham

ATHENS, Greece — If Boris Yeltsin seriously means to have a fight with parliament this fall, he had better take a cool look at the other ways he could set about it and a cool look means asking himself, as calmly as he can, what his purpose in this business is.

history: the moment when autocracy at last, one hopes, gives way to democracy. At these times a great deal depends on the way things are done. Each major act of policy becomes a precedent, an example of the new rules of the game.

Russians probably disagree with what it is doing, is acting legally. The current constitution says it can do these things. It is no use protesting that the constitution is an illegitimate child of the bad old Communist days.

submit himself to a new presidential election at the same time. The parliament includes some friends of Mr. Yeltsin, and quite a lot of provokers before, and then backed down. But it seems unlikely to do so this time.

international consent, he will probably have to send in armed men to enforce his will. But not all of Russia's armed men will agree with what he is doing. One exchange of shots in a Moscow street, or the declared dissent of two or three regional commanders, and it is hard to forecast the consequences.

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The Good News on Ozone

It is not often that science, industry and government can agree on the causes of a complicated problem and then work to solve it. When they do, there is reason to celebrate.

tioning systems. The steady decline in CFC emissions, scientists say, is almost certainly responsible for the slower growth in atmospheric concentrations. This success story will not be easily replicated. Finding substitutes for CFCs is one thing; finding substitutes for fossil fuels is quite another.

Other Comment At the 'Moscow School,' Democracy Is Redefined

By Dominique Moisi and Diana Pinto

GOLITSINA, Russia — Two years after the aborted push in Russia, what has happened to and burst of democratic change and fervor which accelerated the end of the Soviet regime? Has it been destroyed by the difficulties of daily life, by economic instability and political bickering? Has it paled next to the rise of organized crime, or the apparent return of medieval diseases like the plague? Such were some of the questions the media, hungry for prey over the carcass of a once ferocious beast, and yet Russia has remained remarkably calm, taking in stride economic and political tensions that would have shone the nerves of any Western nation.

women, who already hold major responsibilities in the privatization of industry, sometimes for regions as large as European countries, provide living proof that democracy might eventually flourish in Russia.

and the regions, and with pluralist democracy serving as the motor. For an anguished West, constantly brooding over its own citizens' political disenchantment and the twilight of modern democratic systems, the debates taking place among these Russians provide a positive challenge.

It is a curiously melodramatic argument. Nothing in Russia's present condition, or in Mr. Yeltsin's record, suggests that it is true. It will be years before the shape of a stable new Russia emerges from the rubble. The opposition that comes from today's parliament delays the arrival of the new Russia, but it does not prevent it.

international consent, he will probably have to send in armed men to enforce his will.

Advertisement for International Herald Tribune, listing contact information for various offices and subscription rates.

Advertisement for the Moscow School of Democracy, detailing its curriculum and contact information.

Historical snippets from the newspaper's archives, including '1893: Touchés Abound', '1943: Red Army Victory', and '1918: A Foothold Slides'.

OPINION

Why the Holocaust Deniers Keep Torturing the Past

By George F. Will

NEWPORT BEACH, California — Amid the genteel clink of restaurant lunch sounds, Mark Weber is having difficulty doing justice to his past...

Holocaust deniers play upon contemporary society's tendency toward historical amnesia, and its mummy notion of 'tolerance'...

and described in detail by victims, bystanders and perpetrators? Such a person tortures the past in the hope of making the future safe for torment.

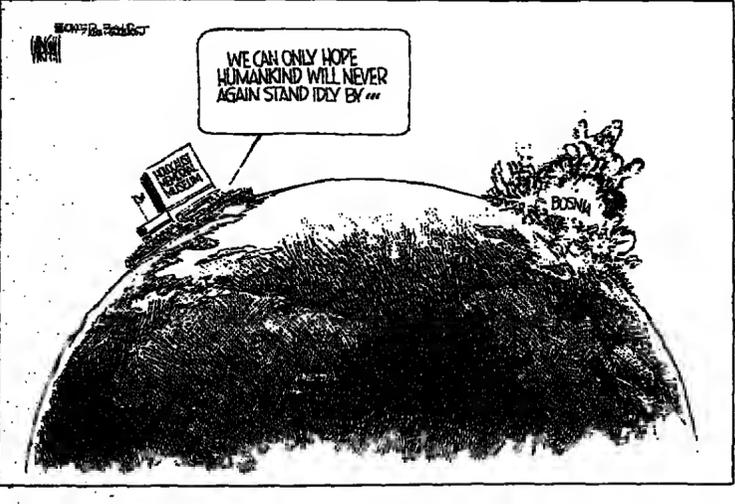
In her new book "Denying the Holocaust: The Growing Assault on Truth and Memory," Deborah Lipstadt of Emory University argues that the deniers work "is intimately connected to a neofascist political agenda."

Benefited from the 'Crystal Night' of the Nov. 6, 1938, anti-Jewish rioting. If you guessed that the Jews benefited, you've got the drift of Holocaust 'revisionism'...

The Webers of the world are few and their arguments are far more of dizzying non sequiturs and mock-scientific analyses of a sort concocted only by lunatics or sinister cynics.

The deniers' arguments always return to what Mr. Weber, like the Nazis, calls "the Jewish question (Judenfrage). The gas chambers were really shabby. Zyklon-B gas was too weak to kill. Or too powerful to use for mass murder...

People as ignorant as that reporter know nothing, so they doubt everything except how sophisticated they are when they assume that nothing is certain.



LETTERS TO THE EDITOR

The Hard Road to Peace

The recent tragic turn of events in Somalia holds an important lesson for us, one that Americans seem easily to forget: Genuine peace cannot be imposed on a people by force...

Consequences of Clinton

Regarding "Raining People Is Considered Sport" (Aug. 11): The late deputy White House counsel, Vincent Foster Jr., complained in his farewell note, "I made mistakes from ignorance, inexperience and overwork."

Long View of Longhand

Regarding "You Are What You Write" (Aug. 31) by Barry James: Congratulations on this excellent study of the box of graphology. Study after study has shown that graphology is totally without merit as a method of determining personality, trustworthiness or any other traits.

Bosnian Airlift

One of the most despicable aspects of the Western reaction to the continuing horrendous saga in Bosnia is the recent siphoning of the medical need to hospitals abroad.

Chess

On 27...Nd7, Browne might have tried 28 Bf4, but after 28...g2 29 Rg3 Nh5 30 Be3 Ne5 31 Rf1 Ra3, Black has dynamic play.

Epitaph for a Nazi Foe: 'A Little Piece of Justice'

By Thom Shanker

BERLIN — Some men lead lives of near cinematic perfection, so essential are they in place and time and action in history.

It was Nov. 20, 1945, and Robert Kempner walked into Room 600 of Nuremberg's Hall of Justice, and came face-to-face with 11 men accused of or-

Even at 93, the sharp prosecutorial mind framed all the right questions: How do you convene a war crimes trial when the accused are winning the war?

The world is not as simple as during the Nuremberg process, and Mr. Kempner expressed doubts that there would be even a little piece of justice for victims of the Balkan conflict.

MEANWHILE organizing the murder of six million Jews and plunging the rest of humanity into the bloodiest war of all time.

The German-born lawyer — history will recall that he was among the first, in 1931, to file a warrant for the arrest of Adolf Hitler had fled to America's top before World War II and had returned with a single wish.

In 1947, Kempner was searching seized Nazi archives and uncovered the Wannsee Protocol, including minutes of the secret 1942 meeting at a lakeside villa outside Berlin at which Hitler's top officers designed a program of genocide for the Jews of Europe.

Mr. Kempner also was prosecutor at cases for the murder of Anne Frank and for war crimes committed in the Warsaw Ghetto, and was called to Israel in 1960 as an expert witness in the trial of Adolf Eichmann, an architect of the "Final Solution."

By that time, Mr. Kempner lived in Koenigsstein, outside Frankfurt, and had established a private legal practice where he specialized in restitution claims for victims of the Nazi era.

Even as his health deteriorated in the early months of this year, Mr. Kempner chose to continue this lifelong moral crusade to put a little piece of justice back into the world.

I had just come off a year covering the war in Bosnia-Herzegovina, and was trying to gain some perspective on this conflict, whose signature acts ignored human rights and the inviolability of national borders.

To that end, I attempted to track down the few surviving Nuremberg prosecutors to examine procedures for a war crimes prosecution that may or may not be convened for the politicians and generals and warlords of the former Yugoslavia. At the time, of course, I had no idea I would be granted the last interview Mr. Kempner would give.

But the world must do something, so it doesn't happen yet again," Mr. Kempner said. "Gathering evidence is a certain threat, even if it is just for a shadow procedure, a trial in absentia."

Again, it seemed, Mr. Kempner was turning to the law in his struggle against history's most polluted tides.

Holding a doctorate of law from the University of Freiburg, Mr. Kempner was, before World War II, counsel to the Prussian Interior Ministry, where he filed a brief in 1931 recommending that Hitler, as leader of the increasingly violent National Socialist Party, be brought to trial for high treason.

Mr. Kempner argued, and expel this man to his native Austria as a dangerous and undesirable foreigner.

Two years later, when the Nazis came to power, Mr. Kempner was arrested by the Gestapo, interrogated and then suspended from the civil service on order of Hermann Goering.

In 1935, Mr. Kempner and his mother, the noted bacteriologist Lydia Kempner, whose seminal works on tuberculosis were torched at Nazi book-burning rallies, were housed out of Germany by the Gestapo. Mr. Kempner went first to Italy, and then, in 1939, to the United States, where he became a naturalized citizen in 1945.

The Stars and Stripes was draped over Mr. Kempner's coffin last Tuesday at his funeral in Johannes Kirche in Berlin, the same Lutheran chapel where he was baptized and confirmed.

Mr. Kempner was eulogized by Ignatz Bubis, leader of Germany's Jewish community, as "a man who militantly fought for democracy," and "an administrator of justice and right."

Jutta Limbach, the Berlin senator for justice, said the finest honor for Mr. Kempner would be for others to "fight his glorious battle against forgetting."

And, by so doing, to put even a little piece of justice back into the world.

The writer is senior European correspondent for The Chicago Tribune. He contributed this comment to the International Herald Tribune.

BOOKS

DOROTHY L. SAYERS: Her Life and Soul

By Barbara Reynolds. 398 pages. \$25.95. St. Martin's. Reviewed by Godfrey Hodgson

She could hardly sound stiffer. The daughter of an Oxford don and dignitary of the Church of England, she wrote mysteries about an aristocratic detective called whimsically — Lord Peter Wimsey. Stuffy, however, you could hardly call her. She wrote advertising copy, rode motorcycles and had an illegitimate child, before becoming one of the foremost Christian apologists of her time.

Books

son original plays on Christian subjects by professional writers for an annual festival.

The first was T. S. Eliot's "Murder in the Cathedral." The second was by Charles Williams, the poet and Christian philosopher. And it was Williams, who had admired "The Nine Tailors," who suggested Sayers' name for the third. It was a surprising choice. But she accepted the challenge, and wrote "The Zeal of Thy House," the central figure of which is the medieval architect, William of Sens. He tempus divine providence by boasting that God needs his craftsman's skills to finish Canterbury cathedral, and to punish his hubris he is paralyzed in a fall from the scaffolding.

Books

intellect as androgynous, neither male nor female, but human.

Reynolds, a British Italian scholar who worked with Sayers on her Dante translation, has made the most of personal knowledge and access to Sayers's letters. Sayers was a woman with a gift for both work and joy bursting the chrysalis of a conventional upbringing, coming to terms with the physical as well as the emotional and intellectual problems of being a woman in a traditional society that was evolving with disconcerting speed.

Books

was down-to-earth. "Nobody cares who... nowadays," she wrote, if you say that Christ was "accommodated upon, buffeted, mocked and crucified."

Godfrey Hodgson, a British journalist, is the author of several books about U.S. politics and foreign policy. He wrote this for The Washington Post.

REPUBLIC OF LEBANON MINISTRY OF NATIONAL EDUCATION & YOUTH & SPORTS COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

BEIRUT SPORT CITY PRE-QUALIFICATION OF CONTRACTORS

The Government of Lebanon, represented by the Ministry of National Education & Youth & Sports and the Council for Development and Reconstruction (CDR), invites applications from suitably qualified building and civil engineering contractors to pre-qualify to tender for the Rehabilitation and Construction of Beirut Sport City.

The Project will be financed by grants from Arab Countries. It will comprise the construction of the following main elements:

- a) A new olympic stadium for 50,000 seated spectators and its auxiliary services with an approximate built area of 60,000m² and about 27,000m² built-area of stands.
b) A new swimming olympic center comprising:
1- an open swimming pool for 2000 spectators
2- an open diving pool for 1000 spectators
3- a covered swimming pool for training. All the above cover an area of around 13,500 m².
c) An administrative building with an approximate built-up area of 2000 m².
d) An open tennis center comprising:
1- a central court for 4000 spectators and their auxiliary services
2- three other open tennis courts.
All the above cover an area of around 10,000 m².
e) The rehabilitation of an existing indoor sports facility for 4000 spectators with an approximate area of 7000 m².
f) A turf club with an approximate area of 10,000 m².
g) A hotel of 120 bedrooms.
h) The landscaping of the site (= 23 ha) consisting of the necessary network and infrastructure (roads, parking areas, piazza, green area, etc...)

The construction period is programmed for 24 months. The tender period will be from 2nd of January to 28th of February 1994.

Pre-qualification applications must be on the basis of the pre-qualification document prepared by the Council for Development and Reconstruction, which will be available at the CDR offices against the sum of U.S.\$ Three Thousand (3000 \$) effective September 1, 1993 at the following address:

Council for Development and Reconstruction Tallet El-Seraïl Beirut - Lebanon.

Deadline for returning the duly completed pre-qualification document with all relevant supporting material is 12:00 noon (Beirut Local Time) on Friday 15/10/93.

Chess

By Robert Byrne

THE 1993 National Open Championship, held in Las Vegas, Nevada, ended in a tie among the grandmasters. In Round 5 game the Classical Variation of the King's Indian Defense, with 6 Be2 e5 7 O-O Nc6, leads to a tactically complex play.

Chess

King's Indian Defense

White: Kramnik Black: Kasparov 1. e4 e5 2. Nf3 Nc6 3. Bc4 Bc5 4. d4 exd4 5. Nxd4 Nf6 6. Be2 e5 7. O-O Nc6 8. Bc4 Bc5 9. Nf3 Nf6 10. d4 exd4 11. Nxd4 Nf6 12. Bc4 Bc5 13. Nf3 Nf6 14. d4 exd4 15. Nxd4 Nf6 16. Be2 e5 17. O-O Nc6 18. Bc4 Bc5 19. Nf3 Nf6 20. d4 exd4 21. Nxd4 Nf6 22. Bc4 Bc5 23. Nf3 Nf6 24. d4 exd4 25. Nxd4 Nf6 26. Be2 e5 27. O-O Nc6 28. Bc4 Bc5 29. Nf3 Nf6 30. d4 exd4 31. Nxd4 Nf6 32. Bc4 Bc5 33. Nf3 Nf6 34. d4 exd4 35. Nxd4 Nf6 36. Be2 e5 37. O-O Nc6 38. Bc4 Bc5 39. Nf3 Nf6 40. d4 exd4 41. Nxd4 Nf6 42. Bc4 Bc5 43. Nf3 Nf6 44. d4 exd4 45. Nxd4 Nf6 46. Be2 e5 47. O-O Nc6 48. Bc4 Bc5 49. Nf3 Nf6 50. d4 exd4 51. Nxd4 Nf6 52. Bc4 Bc5 53. Nf3 Nf6 54. d4 exd4 55. Nxd4 Nf6 56. Be2 e5 57. O-O Nc6 58. Bc4 Bc5 59. Nf3 Nf6 60. d4 exd4 61. Nxd4 Nf6 62. Bc4 Bc5 63. Nf3 Nf6 64. d4 exd4 65. Nxd4 Nf6 66. Be2 e5 67. O-O Nc6 68. Bc4 Bc5 69. Nf3 Nf6 70. d4 exd4 71. Nxd4 Nf6 72. Bc4 Bc5 73. Nf3 Nf6 74. d4 exd4 75. Nxd4 Nf6 76. Be2 e5 77. O-O Nc6 78. Bc4 Bc5 79. Nf3 Nf6 80. d4 exd4 81. Nxd4 Nf6 82. Bc4 Bc5 83. Nf3 Nf6 84. d4 exd4 85. Nxd4 Nf6 86. Be2 e5 87. O-O Nc6 88. Bc4 Bc5 89. Nf3 Nf6 90. d4 exd4 91. Nxd4 Nf6 92. Bc4 Bc5 93. Nf3 Nf6 94. d4 exd4 95. Nxd4 Nf6 96. Be2 e5 97. O-O Nc6 98. Bc4 Bc5 99. Nf3 Nf6 100. d4 exd4 101. Nxd4 Nf6 102. Bc4 Bc5 103. Nf3 Nf6 104. d4 exd4 105. Nxd4 Nf6 106. Be2 e5 107. O-O Nc6 108. Bc4 Bc5 109. Nf3 Nf6 110. d4 exd4 111. Nxd4 Nf6 112. Bc4 Bc5 113. Nf3 Nf6 114. d4 exd4 115. Nxd4 Nf6 116. Be2 e5 117. O-O Nc6 118. Bc4 Bc5 119. Nf3 Nf6 120. d4 exd4 121. Nxd4 Nf6 122. Bc4 Bc5 123. Nf3 Nf6 124. d4 exd4 125. Nxd4 Nf6 126. Be2 e5 127. O-O Nc6 128. Bc4 Bc5 129. Nf3 Nf6 130. d4 exd4 131. Nxd4 Nf6 132. Bc4 Bc5 133. Nf3 Nf6 134. d4 exd4 135. Nxd4 Nf6 136. Be2 e5 137. O-O Nc6 138. Bc4 Bc5 139. Nf3 Nf6 140. d4 exd4 141. Nxd4 Nf6 142. Bc4 Bc5 143. Nf3 Nf6 144. d4 exd4 145. Nxd4 Nf6 146. Be2 e5 147. O-O Nc6 148. Bc4 Bc5 149. Nf3 Nf6 150. d4 exd4 151. Nxd4 Nf6 152. Bc4 Bc5 153. Nf3 Nf6 154. d4 exd4 155. Nxd4 Nf6 156. Be2 e5 157. O-O Nc6 158. 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MIDEAST TALKS / CRITICAL JUNCTURE

Christopher Gave Process a Nudge in Shuttle Diplomacy

By Stephen Engelberg
New York Times Service

WASHINGTON — The breakthrough in the Middle East peace talks gained momentum from the shuttle diplomacy of Secretary of State Warren M. Christopher, with help from an international cast that included the foreign minister of Norway and President Hosni Mubarak of Egypt, according to American officials.

The officials gave the Palestinians and Israelis full credit for reaching preliminary agreements that could turn into historic accords. But they said that secret talks in Oslo between senior Palestinian and Israeli negotiators were moving slowly until Mr. Christopher's trip to the Middle East earlier this summer.

"They needed the United States to stimulate things," one official said. "They have all needed an awful lot of assurance and hand-holding from the United States."

The talks sponsored by the Norwegians were a closely guarded secret until Israeli newspapers reported last week that Foreign Minister Shimon Peres had met in Scandinavia with an official of the Palestine Liberation Organization.

American officials said Oslo had been chosen as a site because the PLO had an office there and because it was a good place for the Israelis and Palestinians to avoid being recognized.

Mr. Christopher's main contribution, the officials said, may have been to revive the long-stalled talks between Israel and Syria over the future of the Golan Heights. This appears to have encouraged the Palestinians to bring new energy to the Norway talks.

"The real movement began after the Christopher visit," an Israeli diplomat in Washington said Sunday.

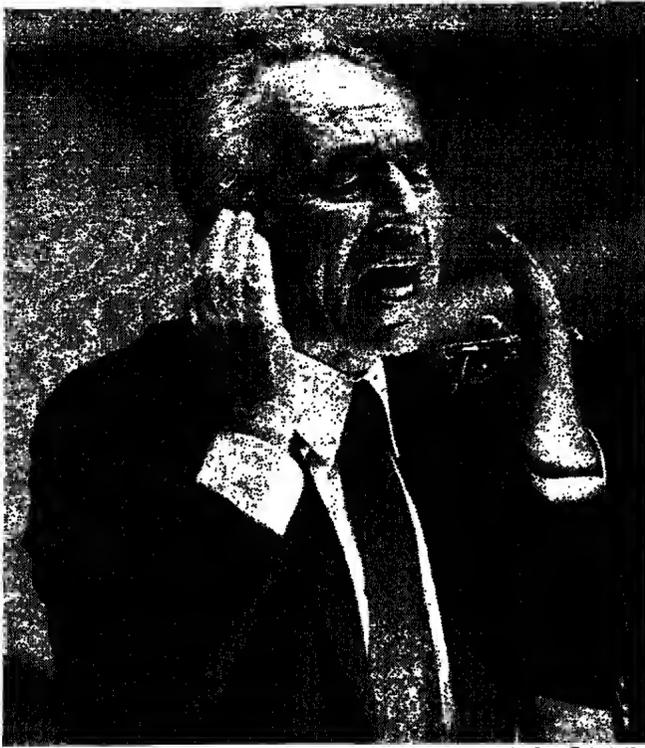
"My interpretation is that Arafat was alarmed by the prospect that Israel and Syria would run away with an agreement," he said, referring to the chairman of the PLO, Yasser Arafat. "They were afraid the train was leaving the station, and they did not want to repeat the Israel-Egypt experience."

Mr. Christopher traveled in the Middle East at the end of July amid clashes between Israel and pro-Israelian guerrillas in southern Lebanon. He visited Israel, Syria, Egypt and Lebanon. The American officials said the mission had been intended to assuage the anxieties of both the Israelis and the Palestinians after nearly 20 months of fruitless talks.

Jerusalem, they said, needed new assurances that it would not be abandoned by Washington. For their part, the Palestinians had to be convinced that the United States was truly an honest broker in the peace process. That fragile confidence had been undermined earlier this year by an American-drafted framework for peace that the Palestinians saw as leaning too close to the Israeli position.

American officials said the major success of Mr. Christopher's trip had been in persuading President Hafez Assad of Syria to move beyond his vague formulation that Israel can trade "full peace" for withdrawal from the strategic Golan Heights.

President Mubarak, they said, has played a crucial behind-the-scenes role in helping convince the Syrian leader that peace with the Israelis can be in his interest.



Foreign Minister Shimon Peres addressing the Israeli parliament in Jerusalem on the peace plan.

After the first of two meetings with Mr. Assad, Mr. Christopher declared, without providing details: "I think we have salvaged this process."

Shortly after he returned to Washington, American officials began receiving reports of progress in what was called the "Norwegian channel." Mr. Peres personally described details about what had

been agreed to and what remained on the table when he met with Mr. Christopher in Santa Barbara, California, on Friday.

Also attending the meeting was the Norwegian foreign minister, Johan Jorgen Holst.

The Israeli diplomat in Washington insisted that Mr. Peres did not seek any specific security or finan-

cial guarantees from Mr. Christopher in their meeting.

It is already clear that American help will be needed to raise the money to underwrite Palestinian self-rule. American officials said preliminary work was already under way on an "empowerment fund" that would pay for education and health care in the territories governed by Palestinians.

PEACE: Israeli Government Approves Self-Rule for Jericho and Gaza

Continued from Page 1
signed with Egypt in 1978, when Likud was in power.

"The beginning of the end to the 100-year conflict between us and the Palestinians is coming," he said. As to accusations of having lied, he said:

"We did not try to deceive Jews or Palestinians. We want to live with them in peace. They are humans like us. We don't want to rule over them, to belittle them or treat them with contempt."

News agencies reported: Prime Minister Rabin indicated earlier that he had turned to negotiations with the PLO after a local Palestinian leadership capable of negotiating on its own had failed to emerge.

However, his spokesman, Gad Ben-Ari, denied Israeli news reports that the cabinet would also be asked to vote on recognition of Mr. Arafat's PLO.

"At this point, I don't see it as an issue at all,"

he said. "It's not on the agenda. The cabinet is being asked to vote on the draft agreement, which will then be signed by the two delegations in Washington, hopefully this week."

Israeli sources said the PLO had first to amend its covenant to eliminate the idea of destroying the Jewish state by removing references to "armed struggle" and demands for Jews who immigrated after 1948 to return to their countries of origin.

Hannan Ashrawi, a spokeswoman for the Palestinian delegation who was reached by telephone in Washington, said it would "take time" to make changes to the PLO charter because it would require a meeting of the 451-member Palestine National Council or the 70-member Central Council.

Months of detailed negotiations were expected to follow any agreement in principle. Issues outstanding included the future of Israeli settlements, the extent of self-governing authority Palestinians will have in areas outside Gaza and

Jericho and cooperation on internal security. Bassam Abu Sharif, a senior adviser to Mr. Arafat, said Palestinian negotiators expected to reach an agreement that, while preliminary, would be the first breakthrough after 22 months of talks.

"We feel we are five minutes away from the first concrete step to be taken on the road to establish peace," he told Israeli Radio.

"This is the breakthrough," agreed Health Minister Chaim Ramon on Israel television. The opposition accused Mr. Rabin of misleading the Israeli people by coining land and negotiating with the long-shunned PLO.

But a survey of 523 Israeli Jews published Monday by the biggest daily newspaper, Yedioth Ahronoth, showed that 53 percent of Israelis backed the "Gaza-Jericho first" proposal, with 45 percent opposed.

(AP, Reuters, AFP)

PLO: Threat to Arafat

Continued from Page 1

side and outside to rise up swiftly to stop this malignant conspiracy," he said.

Mr. Jibril said that through the agreement, Mr. Arafat would put an end to the Palestinian uprising, or *intifada*, and had stalled proposals for a wider Palestinian dialogue over the talks with Israel.

Mr. Arafat, he said, had gone ahead with the plan despite Palestinians proving by strikes and sit-ins that they opposed it.

Mr. Nazal, the Hamas official, said personal ambition was behind Mr. Arafat's backing of the agreement.

"Arafat's dream has always been to be president of a Palestinian state," he said. And referring to Jericho he added: "He doesn't care if his authority only stretches over an area of his size."

"We want the liberation of the whole of Palestine, not just part of it," said Souheil Natour, a spokesman for the Damascus-based radical wing of the Democratic Front for the Liberation of Palestine.

Four militant groups called at a Beirut news conference for a one-day general strike in all Palestinian refugee camps in Lebanon on Tuesday and demanded that the plan be discussed by the Palestinian parliament-in-exile. (Reuters, AP, AFP)

U.S. Hedges Offer of Troops for Bosnia

WASHINGTON — President Bill Clinton said Monday that he intended to provide U.S. troops to help enforce any Bosnian peace accord but would need assurances first that such a pact was fair and enforceable.

"I made clear last February and I will reiterate again that the United States is prepared to participate in a multinational effort to keep the peace in Bosnia," Mr. Clinton said during a brief White House news conference.

"But I want to see what the details are," he said. "I want to get a briefing on it, and I want to know that it will be enforceable. But I'm certainly open to that."

Although the United States said earlier this year that it would provide troops if an agreement were reached, questions had risen recently about the American position because so much has changed since the commitment was made.

The Vance-Owen plan basically preserving the integrity of the Bosnian state has been replaced by a proposal dividing the republic into three ethnically based states. (Reuters, AP, AFP)

Warning to Muslims

Alan Riding of The New York Times reported from Geneva:

Bosnian Muslims return to the bargaining table here Tuesday, but a United Nations official gave them little hope of winning new concessions from Bosnian Serbs and Croats, noting that the international mediators were reluctant to renegotiate a peace plan drawn up earlier this month.

The official, who briefed reporters on condition that his name not be used, said that it might be possible "to fiddle a little bit here and there" with the draft peace agreement, but he added that the mediators felt it would be "dangerous" if any of the parties arrived with a list of new demands.

Discouraging the Bosnian Muslims from asking for anything significant, the official also noted that the Serbs and Croats "went the extra half-mile" and made concessions during the last negotiating session on Aug. 20.

"These concessions aren't going to stay on the table indefinitely," he warned.

The peace talks, originally scheduled to resume Monday, were postponed after Alija Izetbegovic, the president of Bosnia's Muslim-dominated government, was delayed in Sarajevo.

He is now due to meet the Bosnian Serbian and Croatian leaders and the presidents of Serbia, Croatia and Montenegro in Geneva on Tuesday.

Before leaving for Geneva, Mr. Izetbegovic told Sarajevo radio that the peace package being offered the Bosnian Muslims was "worse than war." And he added: "I feel like a thirsty man who somebody is sending to a desert to look for water."

This weekend, the Muslim-majority Bosnian parliament reluctantly endorsed partitioning Bosnia-Herzegovina into three autonomous ethnic republics, but it balked at the proposed borders of the republics and demanded more territory in eastern Bosnia as well as access to the Adriatic Sea at Neum.

Jericho Already Sees Arafat Settled In, but in Which House?

By Clyde Haberman
New York Times Service

JERICHO, Israeli-Occupied West Bank — Some folks already know where Yasser Arafat will settle in Jericho if the hillybush agreement with Israel comes true and Palestinian self-rule begins here and in the Gaza Strip.

He will move from Tunis into the big white house with green trim, they say, the one that sits in relative isolation on a low hill and could be easily cordoned off.

No, others say, the chairman of the Palestine Liberation Organization will take a more modest dwelling near a greenhouse off the main road. Wrong, still others insist, it's the house closer to the mosque.

A few people are betting that the PLO will renovate the old "winter palace" where King Abdullah of Jordan stayed, a hulking wreck of smashed windows, graffiti-scattered walls, desiccated grounds and battered Roman letters over the main entrance that say:

INTER PALACE
There is meager evidence that Mr. Arafat is even house-hunting. But that has not stopped real-estate prices from rising, already, or people from saying that he is surely on his way. Many are similarly confident that self-rule will kick-start the local economy and provide a first step toward an eventual Palestinian state.

Jericho keenly sensed something new in the air Monday, a notion enhanced by the platoons of television crews that descended on the normally somnolent town of 15,000 — more commotion, for all anyone knew, than at any point since Joshua fought the battle.

Still, no one was celebrating. People realize that a bargain is not yet sealed, and even if it does come, they are not about to bet their life savings that Israel will allow Palestinian authority to spread in short order from here across the West Bank. Should self-rule stop at Gaza and Jericho, they say, it would not be worth having.

"People want to believe, but they still have doubts," said Ahmed Kurishi, a tailor. "Me, too, I don't know. Peace is very nice, God willing, but how can anyone know?"

Rajai Abdo agreed. "It is very exciting," he said, "but we have to remain calm."

Mr. Abdo owns the only hotel in town, a 70-room building that had two or three guests overnight, an fair indicator of how tourism is doing these days.

"This plan of Gaza and Jericho first will be popu-

lar," he said. "It's the only choice available to us. Personally, I think it's practical. But people lack confidence in their leadership, and so we must see."

This small city — some say it is the world's oldest — has the feel of a backwater. The six years of uprising against Israel have occasionally led to a hotbed of radicalism. It could not be more different from rolling green and flaming orange, where winter vacationers used to come from Arab countries, especially Jordan, a few kilometers away across the Allenby Bridge spanning the Jordan River.

But that was before 1967 and the war that ended in six days with Jericho and the rest of the West Bank in Israeli hands. Arab tourism all but disappeared. Then, after the start of the uprising in December 1987, Israelis started coming in droves, as they had used to on journeys across the valley.

There are no factories and few business opportunities. Unemployment is put at 50 percent. That figure, if anything, has climbed since Israel closed off the territories in March after a wave of lethal anti-Israeli violence.

"My business gets worse day by day," said Isak Shawa, owner of a grocery store in the main square. "Most people buy only essentials like bread, eggs, milk and oil. And when they buy, it's more and more on credit."

What Mr. Shawa expects is a sudden infusion of outside money, from Arab countries, from Europe and even from Palestinians, who in some cases, he says, have been hiding their true wealth from the Israeli tax authorities. Indeed, Israeli officials assert that bringing in such help is a major goal. It is almost as important, he adds, as seeing Israeli soldiers and police officers march for good out of the fenced-in station across the square.

"Until these rich Arabs, the Saudis and others, supply us with money," he said, "we cannot stand on our own. We want to work hard, to be serious workers. But we do need support."

They are prepared to wait, some say, perhaps not endlessly but certainly for the months that it might yet take for self-rule to come and then for Mr. Arafat to arrive — assuming that the PLO and Israel recognize each other, as planned.

"This is our chance to prove that we can control our own lives," said Imad Saleem, a toy store owner.

Clinton 'Very Hopeful' on Mideast Deal

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton praised the apparent breakthrough to Middle East peace talks on Monday but said it was premature to say whether it would lead the United States to resume its dialogue with the Palestine Liberation Organization.

"I am very much encouraged by what has happened there and very hopeful," Mr. Clinton said in response to a reporter's question at a photo session.

"The administration has worked hard to facilitate it," he said, "but ultimately whatever happens will have to be done by the parties themselves."

Asked if the United States might resume talks with the PLO, Mr. Clinton said, "If there is a new and different landscape in the Middle East, then I might be willing to entertain some questions."

He hastened to add: "I can't answer your question now. It's hypo-

thetical and would only interfere with the discussions now going on. I don't think it's appropriate for the United States even to consider its own position here until the parties have a chance to work out a resolution of this."

U.S. contacts with the PLO were discontinued under former President George Bush because of a dispute over PLO reaction to terrorist attacks in the Middle East. (AP, Reuters)

Settlers Brand Rabin 'Traitor'

Compiled by Our Staff From Dispatches

JERUSALEM — Police used water cannons to battle settlers protesting outside Prime Minister Yitzhak Rabin's office on Monday as he proposed an accord for Palestinian autonomy to his cabinet.

More than 2,000 settlers chanting "Traitor! Traitor!" turned out from the Gaza Strip and the West Bank, where the Palestinians are set to assume limited autonomy.

Several people were injured and dozens dragged away and arrested as fighting erupted.

Some 400 policemen and border guards protected the prime minister's office against the settlers who carried placards accusing Mr. Rabin of "selling off" the territories under an accord between Israel and the Palestine Liberation Organization.

At the same time, a few dozen supporters of the peace agreement held a counterdemonstration on the other side of the road, which was completely blocked. Some of them were hit by stones thrown by settlers.

In Jericho, 20 right-wing demonstrators, including two members of parliament, moved into an old synagogue on the northern outskirts of the town and staged a sit-in. Israeli radio and television reported.

The army declared the town, which is scheduled to be the seat of the new governing body, a closed military area and was trying to get the squatters to leave voluntarily.

Earlier, the army said that it had removed a group of 80 settlers who had set up a new enclave in the occupied West Bank to protest the agreement on Palestinian self-rule. The Jewish nationalists set up the enclave Sunday with tents and a generator between the Palestinian cities of Hebron and Bethlehem, a military spokeswoman said.

About 100,000 nationalist Jewish settlers live in fortified settlements among nearly 2 million Palestinians in the occupied West Bank and Gaza Strip.

In a related development, an extreme right-wing Jewish group said Monday that its followers had thrown a grenade at the house of Arye Deri, Israel's interior minister, as a warning to resign from the government over the new agreement.

A group which called itself "Repression of Traitors" known to be linked to the extremist Kach organization, took responsibility for responsibility for the attack. (AP, Reuters, AP)



A MOSQUE OPENS — A man observing a pool in the Grand Hassan II Mosque in Casablanca, one of Islam's biggest, which the Moroccan king was to dedicate Monday night, the prophet Mohammed's birthday. Hassan was to turn on a laser beam aimed toward the holy city of Mecca.

Russian Pullout Back on Track, Lithuania Says

By Fred Hiatt
Washington Post Service

MOSCOW — Russia and Lithuania, seeking to put their relations back on track, agreed Monday that all Russian forces would be withdrawn from the Baltic republic by Tuesday as originally planned, the Lithuanian president, Algirdas Brazauskas, said.

In an address on national radio, Mr. Brazauskas said President Boris N. Yeltsin of Russia had confirmed in a telephone conversation that the remaining troops — estimated at 2,500 one week ago — would pull out. The two presidents also rescheduled for next month a summit meeting that had been canceled last week.

"We managed to do this, although a week ago it seemed our relations had worsened considerably," Mr. Brazauskas said. "The withdrawal turns a new page in bilateral relations."

Russian officials here confirmed that the pullout would be completed "in the nearest future," although they declined to confirm

that the last Russian soldier would leave by Tuesday.

Just over a week ago, Russia had renounced its commitment to pull out troops by Aug. 31 and had accused Lithuania of sabotaging talks on bilateral negotiations. The renunciation, on Aug. 22, was accompanied by an aggressive warning to Lithuania not to stage any "provocations." It drew condemnations from Washington and other Western capitals as well as from Latvia and Estonia.

Vitali I. Churkin, a Russian deputy foreign minister, said in an interview on Friday that the troop withdrawal had been put back on schedule thanks to Lithuania's willingness to permit an "honorable departure, with all proper ceremonies." He also said that both countries had agreed to postpone discussions on financial compensation for past damages, an issue that had helped derail the talks.

Russian officials expressed dismay last week at the vigorous negative reaction in the West to their repudiation of the Aug. 31

timetable. American officials had threatened an aid cutoff if the withdrawal did not continue.

Also, Russia has been eager to reward Lithuania for what it sees as a friendlier stance than that of its two Baltic neighbors. Unlike Lithuania, Estonia and Latvia have refused to grant citizenship to most ethnic Russians living there.

For its part, the Lithuanian leadership has been attacked by domestic opponents as well as by many in Estonia and Latvia for what they viewed as a policy of appeasement toward Russia. Mr. Brazauskas, elected in part on a promise to work with the Baltics' giant neighbor to the east, was therefore eager to show that a nonconfrontational attitude could bring results.

Mr. Churkin said Lithuania had taken practical steps to help speed the withdrawal, including giving Russian officers the right to privatize their apartments and then sell them. Latvia and Estonia have not accorded such rights, he said.

Dutch Debate on Immigration

By Jeffrey Stalk
International Herald Tribune

AMSTERDAM — Dutch legislators will debate on Tuesday an immigration bill that one legal expert has called "the most serious discrimination law" in the Netherlands since World War II.

If passed in its current form, the law will make it more difficult for some asylum-seekers to obtain refugee status and make it easier for the government to deport those who do not.

The debate comes at a time when other countries in Western Europe have tightened their immigration policies against the flood of asylum-seekers from Eastern Europe, Africa and Asia.

Proponents of the bill argue that the numbers of cases of asylum-seekers has exploded and that something has to be done to streamline the costly and time-consuming procedures.

But the proposed law has generated vociferous opposition from politicians, human rights activists and some legal authorities, and put the ruling Chris-

tian Democrats, who support the measure, at loggerheads with some of their coalition partners in the Labor Party.

"This is a case of the government trying to keep foreigners out as much as possible," said Petra Catz of Amnesty International. "It says that the doors of Holland are open to refugees but that isn't true."

The proposed immigration law would establish a new category called "humanitarian status" for some of the thousands of asylum-seekers who arrive each year in the Netherlands.

Foreigners assigned this status would be allowed to remain in the country until the political and economic situation improves in their own country.

But critics charge that by putting some asylum-seekers in the new category, the government will prevent them from applying for "refugee status" and the legal rights that go with it.

Afghan Is Injured In Blaze Linked To Neo-Nazis

Compiled by Our Staff From Dispatches

BONN — Fire destroyed the residence of an Afghan store owner here Monday, seriously injuring the man, and the police said neo-Nazis had apparently set the pre-dawn blaze.

Swastikas and anti-foreigner slogans were found scrawled on an outside wall of the burned-out house in Idar-Oberstein, north of the West German city of Trier.

A 40-year-old Afghan immigrant who ran a street-level store and lived in the two-story building was seriously injured, the police in Trier said. (AP, Reuters)

ADVERTISING SECTION

ADVERTISING SECTION

PRIME MINISTER'S VISION FOR THE YEAR 2020: 'IS THAT TOO MUCH TO ASK?'

Malaysia's Prime Minister Mahathir bin Mohamad has traveled extensively throughout Europe and Asia, promoting Malaysia as an investment haven and voicing his support for free trade. The following excerpts from his remarks to a group of European business executives shed light on his aspirations for his country and the Asian region.

Today, Malaysia is said to be one of the fastest-growing economies. This apparent success can be attributed to many factors. What I would like to highlight, however, is the model of close cooperation and collaboration we have evolved with our neighbors in the Association of Southeast Asian Nations. ASEAN today has reached agreement on a Common Effective Preferential Tariff scheme, currently being implemented, which will eventually evolve into a free-trade area. This is not a trade bloc. It is nothing more than enlarging the domestic markets of member countries so as to be almost as big as those of the rich countries. The markets of ASEAN countries will remain open for we are all dependent on outside trade. Groupings such as these will continue to be formed, especially as smaller countries feel left out of the mainstream of world economic development. But at the same time, we have to think of the large trade blocs, which are also being formed.

Market-access barriers, although finally erected by governments, are not initiated by them. They have generally been instituted at the request of industries themselves for their own protection. For countries with small domestic markets, however, it would be fatal to pursue this course of action, as a retaliatory response by larger markets would be disastrous. The world should be our

market. To adapt to an inward-looking trading policy is only to shackle our hands and limit our ability to create an economy that is vibrant and resilient. Therefore, it is imperative that industries in such countries be prepared and be confident enough to request their governments to dismantle barriers in favor of free trade. It is the only way that contributes toward a more liberal world trading system. At the same time, it is equally important for us to

'Protectionism will impoverish everyone'

promote the principles of GATT and do everything to ensure the successful conclusion of the Uruguay Round of Multilateral Trade Negotiations and reverse the trend toward protectionism through trading blocs.

The European Community is the largest trading group in the world. It accounts for about two-fifths of global trade. Therefore, European trade policies can have a large impact on the evolution of a liberal global trading system. The non-European trading countries have expressed concern over the ramifications of a single Europe and its proposal to establish the European Economic Area with the inclusion of the seven European Free Trade Area member countries. Almost as a reaction to this development, we have now witnessed the establishment of the North American Free Trade Agreement. A fortress Europe will definitely result in a fortress America.

In the last 10 years, we have witnessed the centrally planned economies

switching to market economies. As the basis of relationships between countries shifts away from a purely political one to a more economic one, we will see the liberation of those smaller economies willing to become productive and competitive. In this new relationship, power can only be realized within a framework of mutual respect and trust, but never through force or coercion in any form.

With the democratic liberation of countries and economies, what will happen if the Uruguay Round fails and various trading blocs are formed? I expect a chain reaction of protectionism worldwide. More groups and blocs will form a defensive posture. But we must remember that a fortress not only protects but also cuts off the occupants from the outside world. In trying to exact a price from the outside, those inside will have to pay a price, too. Protectionism will therefore impoverish everyone.

There is an alternative — that of trade liberalization. The Uruguay Round seeks it, and we should all work hard to realize it. Regionalism, or the formation of regional trading areas, need not become protectionist. Trading groups can become trade-liberalizing to enhance a region's competitiveness. This is our vision for the ASEAN Free-Trade Area. It is intended to reduce trade barriers and make ASEAN a more competitive trading partner in the world. This is the only alternative that the world can adopt to safeguard the trading environment.

Economics cannot, however, be divorced from politics. While we all preach a freer trading environment, another side of life needs equal attention. Poverty, starvation and hunger are still very real in our modern world. Let us not become a world where, in the same city in which

people wine and dine in splendor, there is stark poverty and homelessness. In many ways, the modern world has allowed such contradictions. But is that what we want?

At least, on behalf of all Malaysians, I can confidently say that we have rejected this. We have opted for a developed society where we are also a caring and sharing people — a nation where there is no abject, uncared-for poverty. We believe justice should have an equitable face, but can we expect that in our new world order? Can we truly dream of a new world order where every human

being has his place under the sun? Is this too much to ask? We do not think so. In Malaysia, we have a vision called "Vision 2020" — i.e., we expect to be a developed country by 2020. We will work hard to achieve our vision, but much depends on the world community and the attitudes of the powers-that-be toward us. If at times we speak strongly, it is because we feel concerned over our own fate. If this concern coincides with that of others, it is not by design. It is because we belong to that category of nations that are the have-nots of this world.

Compiled by T.A.



**PRIME MINISTER
MAHATHIR:
'IF AT TIMES
WE SPEAK
STRONGLY,
IT IS BECAUSE OF
CONCERN OVER
OUR OWN FATE'**

OFFSHORE OPPORTUNITIES FOR INVESTORS: LABUAN GOES ONE BETTER

Off the coast of Sabah, a revolution is taking place. Labuan Island, a Malaysian federal territory, is being transformed from a serene tropical paradise where shipbuilding and light industry kept the economy going to a bustling financial industry.

Over the next four years, a financial park will rise in the center of Labuan town, with three office blocks, two blocks of luxury apartments, an auditorium, and shopping and recreational facilities. Hotel capacity will be tripled, and state-of-the-art communications will be put in place.

Just a few kilometers from Sabah and Brunei Darussalam off the Bornean coast, Labuan is less than three hours by plane from most capitals of the Association of Southeast Asian Nations.

"We need to stimulate the financial sector," says Malaysia's Prime Minister Mahathir bin Mohamad. "It seems logical that Labuan, which is already a

free port, should be converted to an offshore financial center."

With Singapore and Hong Kong already established as regional financial centers, one might legitimately ask if there is room for yet another financial hub in Southeast Asia.

"We are not ready to compete with Singapore or

Long before any ground was broken, the center's policy framework was hammered out. Labuan was given the status of an International Offshore Financial Center on Oct. 1, 1990. This means that it offers either low taxes or none at all on income, profit or dividend and interest earned or derived

public inspection of files and prohibition on disclosure regarding the shareholding or beneficial ownership, management and any of the business, financial or other affairs of the company.

In general, offshore companies do not need to maintain a physical presence in Labuan; the exceptions are those carrying out banking, insurance, fund management and other specific businesses. There is no minimum capital requirement, and the company may issue shares of different classes and rights. Although no bearer shares are allowed, anonymity can still be maintained through the use of a nominee or a trust company.

Another advantage Labuan has over other centers is that it is not only an independent island state, but also part of Malaysia — one of the most politically stable and fastest-growing countries in the world.

A selling point that the Malaysian government hopes will not be overlooked is the island's tremendous tropical beau-

ty. Water sports such as diving are among the numerous leisure activities available. The island currently has 500 hotel rooms, and there will be 1,500 by 1997. A marina with an all-suite hotel and two 18-hole golf courses are planned.

Communications will also be greatly improved. Labuan has two telephone exchanges with 16,000 lines. The current transmission system makes use of satellites. Labuan will be using both microwave and fiber-optic transmission in the near future, greatly increasing line capacity.

Confidentiality laws prevent listing the companies that have set up operations in Labuan over its initial two years: as of June 30, 1992, however, there were 80 offshore companies, including seven offshore banks, one offshore insurance company, 11 trust companies, 12 professional firms and 49 other entities.

The total value of offshore loans approved was \$299.6 million; foreign currency deposits totaled \$447.7 million. T.A.

Labuan is one of the most liberal offshore centers

Hong Kong," says Mr. Mahathir. "But we think there is a place for Labuan in this area, and I think we are much better positioned than many of the centers in very faraway places."

Labuan's location is just one of its selling points. To attract leading banks and corporations, Labuan has had to go one better in terms of what it has to offer. Consequently, Labuan has some of the most liberal laws and regulations of any offshore financial center.

from the offshore business activities or transactions carried out by the offshore corporations in or from the territory. Most businesses would find the level of confidentiality offered more than reassuring. The Malaysian government is confident that current regulations maintain the balance between the confidentiality needs of an IOFC's customers and the need to prevent offshore finance facilities from being abused. The secrecy provisions include limitation on

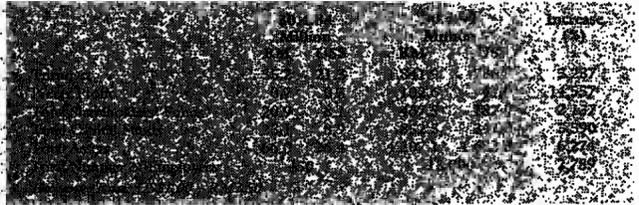
BERJAYA GROWS IN TANDEM WITH MALAYSIA



The Berjaya Group of Companies' history dates back to 1984 when our current Group Chief Executive Officer Tan Sri Dato' Vincent Tan Chee Yoon acquired a major control of shareholding in Berjaya Industrial Berhad.

Through the entrepreneurial leadership of Tan Sri Dato' Vincent Tan, the Group has been transformed into a diversified entity through partnerships, acquisitions, joint ventures and new start-ups.

The track record from 1984 reflects Tan Sri Dato' Vincent Tan's vision and stewardship. The Group's financial growth over the past 8 years are highlighted below:



A few of the operating companies include:

CONSUMER MARKETING

Today, Singer Malaysia Sdn Bhd is the largest, longest-established distributor and retailer of consumer durables with the widest canvassing network.

Catalog Shop Sdn Bhd has evolved from direct mail to retailing in Singer shops and sales through canvassers.

Unza Group of Companies' operations today encompass manufacturing, marketing, sales and distribution of a comprehensive range of quality, branded toiletries and household items.

JL Morrison Son & Jones (Malaysia) Sdn Bhd has 6 distribution centres throughout Malaysia.

Texan (M) Sdn Bhd markets a full range of men's apparel locally, and Cartel Corporation Sdn Bhd, ladies' apparel.

Berjaya Sound Entertainment Sdn Bhd produces karaoke films and songs.

Homevideo Network (M) Sdn Bhd, involved in the sale and rental of videos, has been appointed the licensee by Warner Home Video Inc. USA and Walt Disney's home video.



Singer Berjaya Showroom

LEISURE

Bukit Kiara Equestrian & Country Resort is the group's first wholly-owned recreation hub with equestrian facilities, Kelab Darul Ehsan, a 90-acre 9-hole golf and recreational club, Stadfield Golf & Country Club, a 340-acre suburb project and Bukit Jalil Golf & Country Resort to be an 18-hole golf cum recreational club.

Berjaya Imperial Beach Resort has 207 acres of parkland with a beautiful golf course.



Berjaya Imperial Beach Resort Tioman Island

Redang Island will be developed into 2 integrated tourist cum holiday resorts to be known as Berjaya Inn Golf and Beach Resort, and Berjaya Premier Beach Resort.

A 70-acre site on Burau Bay Langkawi Island under construction, will be known as Premier Beach Resort.

Internationally, it has two choice properties in the South Pacific, Berjaya Inn in Suva, Fiji, and Berjaya Imperial Beach Resort & Casino in Mauritius.

In Kuala Lumpur, exquisite Oriental restaurants, Tsui Hang Village Restaurant, Oriental Pearl, Fortune Courts, Hanatei Japanese Restaurant and Jewel in the Crown, a North Indian cuisine restaurant, were set up.

Inter-Pacific Travel & Tours Sdn Bhd conducts tours, ticketing and foreign exchange through its outlets.

GAMING

In 1989, Sports Toto Malaysia Sdn Bhd was incorporated to run the toto betting business which was essentially the Government's effort to raise funds to promote and develop sports, youth and cultural activities.

Since privatisation in 1985, sales of Toto betting tickets has increased by over 700%. Sports Toto Malaysia has over 700 outlets throughout Malaysia.

PROPERTY

The Group has over the years successfully acquired prime commercial buildings located in Kuala Lumpur: Kota Raya Shopping Complex, Plaza Berjaya, and KL Plaza.

The Group currently owns and develops vast tracts of development land in Malaysia: Pines Condominiums, Peraling Indah, Robson Condominiums, Ixora Apartments, Menara Greenview and Sri Dagangan Kuantan Business Centre, a 45-acre residential cum commercial development. Others include Sri Pelangi Phase 1, Taman Kinara and Taman Cemerlang. Berjaya Green Development Sdn Bhd, a landscaping and golf course development company, manages 3 golf resorts. Tropicana Golf & Country Resort, Berjaya Inn Golf & Hill Resort and Bukit Banang Golf & Country Club.

The Group is involved in the construction business through Bridgecon Engineering Sdn Bhd.

INDUSTRIALS

Berjaya Textiles Berhad is one of the largest vertically integrated textile groups specialising in casual knitwear and active outer wear for internationally-renowned brands.

SIG Holdings Bhd, a listed associate is involved in garment manufacturing for outer wear. Singer Furniture (Malaysia) Sdn Bhd manufactures and sells timber-based furniture for domestic and international markets.

Fineswood Products Corporation Sdn Bhd produces and sells furniture and timber-related products, with a significant export market.

Lionvest Corporation Sdn Bhd is involved in logging and timber related operations.

Shinca Sdn Bhd assembles electronic and electrical items for leading brands.

Topgroup Holdings Sdn Bhd manufactures

domestic and commercial air-conditioners and accessories.



Manufacturing of air-conditioners

Inter-Pacific Packaging Sdn Bhd and South Island Packaging (Penang) Sdn Bhd, are involved in producing corrugated carton boxes, industrial packaging and printing. South Island Plastics Sdn Bhd manufactures plastic bags and sheets.

Le Run Group Industries Berhad manufactures and sells bicycles and tubular furniture.

FINANCIAL SERVICES

In March 1991, Inter-Pacific Capital Sdn Bhd was formed as a result of the merger of Inter-Pacific Securities Sdn Bhd, Eng Securities Sdn Bhd and United Traders Sdn Bhd.

Berjaya Prudential Assurance Berhad, a joint venture with Prudential Assurance Co. Ltd, Britain, provides life insurance services and is presently among the top 6 in the Malaysian life insurance industry.

Berjaya General Insurance Sdn Bhd, a joint venture with The Tokio Marine and Fire Insurance Co. Ltd, Tokyo, is one of the top 10 and latest-expanding general insurance firms.



Inter-Pacific Securities Sdn Bhd's trading floor

NEW VENTURES IN THE FAR EAST AND BEYOND

The Berjaya Group will be investing up to US\$100 million (RM260 million) on various projects in China. Its initial principal involvement in China will be to implement and operate a social welfare lottery in Guangzhou, that will be undertaken by Berjaya Lottery Management (HK) Ltd — a joint venture company between Berjaya Group Berhad (60%) and Berjaya Sports Toto Berhad (40%).

Berjaya Lottery has a 40% stake in International Tantalizer Systems, Inc (ITS), a US NASDAQ quoted company. ITS designs and manufactures computerised ticket issuing systems, and is the project manager for computerised on-line lotteries in several countries.

ADVERTISING SECTION



GOLF-COURSE DEVELOPMENT IS IN FULL SWING, BUT THE ENVIRONMENT COMES FIRST.

THE GREENING OF THE GREENS ADDS COLOR TO ROYAL GAME

The "Royal and Ancient game" was introduced to Malaysia by British traders and planters over 100 years ago. Jack Nicklaus, Peter Thomson and Arnold Palmer have all been involved in the design of courses here.

Some play in the middle of town; others prefer to trek to remote locations for the sport. We are talking about golf, and so are most property developers in Malaysia.

There are more than 100 courses in the country and a huge number in various stages of development. The growth of both international and domestic tourism has laid a foundation for the golf industry.

The "green" consciousness of Malaysia is reflected by the fact that course development, which calls for a certain amount of forest clearing, has caused some controversy and forced the State Department of Environment to announce recently that a comprehensive study on all ongoing golf-course projects will be carried out.

Although officials of the DOE, which keeps tabs on all new infrastructure projects, say there is no evidence that developers are cutting trees indiscriminately, the officials want to make it clear that the environment comes first.

"Emphasis will be placed on tourism projects where recreational facilities would include golfing," says Omar Mohamed Zain, director of the DOE.

"An environmental impact assessment has to be conducted on the whole project."

While this requirement may slow development, it is not resisted by developers, who recognize the importance of the EIA, according to Mr. Omar. He gives the example of the Pedu Lake Golf Resort at the Pedu Dam, a 114-hectare (282-acre) project that includes a 27-hole golf course and a 100-room hotel. The contract to develop the dam into a tourist resort was granted last August.

"The developers had conducted an EIA and obtained approval to carry on with the project after it was found that it would not damage the environment," says Mr. Omar.

Officials say impact assessment is also needed because, unlike older developments that involve only a course and clubhouse, today's developments are total resort complexes that could put pressure on the overall environment.

The Starhill Golf and Country Club, one of Malaysia's newest, is a good example. It is indeed a golf-based resort - the centerpiece is a 36-hole course - but guests will someday be able to swing a club and visit the water theme park, take the children to "Kids Land," enjoy the Sports Center, stay in a five-star hotel within the compound, or even buy or lease a condominium unit. The project spreads over

487 acres and is being built at a cost of 200 million Malaysian dollars (\$76 million) by two Japanese-Malaysian companies, the Hoshigaoka Bussan Co Ltd. and Hoshigaoka (S) Pte Ltd.

Not all of Malaysia's courses are in the countryside. Several - such as the Saujana, the Royal Perak, the Royal Johor and the Ayer Keroh - are smack in the middle of bustling cities and towns, providing a welcome spot of green.

own: His Majesty, the Yang di Pertuan Agong, Tunku Syed Putra bin al-Marhum Syed Hassan Jamalullail, the Raja of Perlis.

Today's club membership includes royalty, cabinet ministers, diplomats and business executives; several of the country's most prestigious tournaments are held here. Despite its exclusive membership, the club has a tie-up with several of the city's leading hotels so that a maximum of 10 guests can play on a first-come, first-served basis.

Environmentalists, who might oppose cutting new trees to lay out a course, applaud this club, with its cowgrass-covered fairways. Heavily lined by mature trees, the course is a lung for the city.

For information on planning a golfing vacation in Malaysia, write to the Malaysian Tourism Promotion Board, Putra World Trade Center, 45, Jalan Tun Ismail, 50710, Kuala Lumpur requesting a free copy of "Golfing," a publication of the Ministry of Culture, Arts and Tourism. The publication includes a state-by-state description of courses, complete with selected course layouts; a directory of golf clubs in Malaysia that lists current green fees, telephone numbers and course descriptions; and the addresses and telephone numbers of the Malaysian Tourism Board's overseas offices.

T.A.

Malaysia has over 100 golf courses

The most famous is the Royal Selangor Golf Club, which is celebrating its centenary this year.

The Royal Selangor Golf Club, Malaysia's oldest golf course, has grown with Kuala Lumpur. In 1893, the coffee-planting Glassford brothers and A.T.D. Berrington, then chief magistrate of Selangor, set out the course, which is less than a kilometer from the city center. The old 18-hole course was complemented by two new 18-hole courses; the latest was opened in 1965, just three years after the title "royal" was bestowed on the club by a man with quite a few titles of his

'VISIT MALAYSIA YEAR' UNVEILS A STAR-STUDDED SEQUEL

What does Malaysia have in common with Sylvester Stallone and Arnold Schwarzenegger? All three of them are hooked on sequels - instant replays that they hope will repeat their blockbuster triumphs of the past. In Malaysia's case, the original mega-hit was a special tourism promotion called "Visit Malaysia Year 1990," which drew a record number of foreign visitors to the Southeast Asian nation, pushing Malaysia ahead of long-time regional rivals like Thailand and Singapore for the first time.

Tourism authorities expected "Visit Malaysia Year" to spur a permanent tourism rush. They were wrong, but for reasons they could never have foreseen at the time.

More than 7.4 million people came to Malaysia during the first special tourism year (1990), but the number of visitors plunged to 5.9 million the following year (1991) as the Gulf war put a crimp in international travel plans and as recession took hold in America. Arrivals grew by a modest 2.9 percent in 1992, but there was still a decrease in many of Malaysia's traditional markets; arrivals from Europe, for instance, registered a 35-percent drop.

Malaysian tourism needed a kick start. After lengthy discussion, Ahmad Bakri Shabbidin, director general of the Malaysian Tourism Promotion Board, and his colleagues decided that another special promotion would do the trick. That was how a new star - "Visit Malaysia Year 1994" - was born.

"The preparations are going very well, especially international promotions," says Mr. Bakri. "We are chasing 8 million visitors next year, but I'll be happy if we can match the 1990 number, given the current global situation. We were very fortunate in 1990. It was the peak before the world went downhill in terms of economic growth. Everything seemed rosy then."

Mr. Bakri traces the 1990 success to a massive advertising blitz that included everything from full-color spreads in top European magazines to billboards in suburban America. Budget constraints, however, have forced the MTPB to devise a new marketing strategy for the 1994 promotion.

"Given that it's a very soft market all over the world, we find that it is not enough to push through advertisement alone," says Mr. Bakri. "You need an agent to pull the guy to buy the ticket. So we have switched to a strategy of direct support for tour operators, a campaign of going out to the markets and doing a sales blitz, and bringing tour operators back to Malaysia to see what we have to offer."

The MTPB has staged numerous familiarization and educational trips in the past year, bringing in groups of tour operators from Britain, France, Holland, Belgium, the United States, Taiwan, South Korea and Hong Kong, as well as a Spanish-speaking group from Spain and Latin America.

"We realized there are established tour operators abroad who know Malaysia, but also a lot who don't know what's happening," says Mr. Bakri. "For them, we developed one-week packages for 1994 based on Visit Malaysia Year events. They are spread throughout the year, covering various activities, sports and festivals. We identified 54 Malaysian tour operators who were willing to

work with us on this program, and together we developed 18 different packages hooked around events."

In addition to tour operators, the tourist board is working closely with the national travel and hotel associations and Malaysia Airlines to market and promote Visit Malaysia Year - and to make sure that transportation and facilities are up to par.

Malaysia Airlines has introduced a special promotion offering travelers who fly from a European city to Kuala Lumpur one extra destination in Malaysia at no extra cost. The national carrier has also launched the "Visit Malaysia Pass," a domestic air pass that operates along the lines of European rail passes.

Malaysia is also trying to induce tourism through the creation of more budget-priced accommodation, especially in smaller regional towns that now offer only government rest houses and modest guesthouse-style hotels. Mr. Bakri hopes to see a network of two- and three-star hotels throughout the country within a few years. "Down the line, I would also like to see the development of bed-and-breakfast facilities," he says.

Just in case these projects are not enough, the tourist board has also created three brand-new festivals, which will serve as "anchor events" for Visit Malaysia Year 1994.

The Floral Festival in July will highlight Malaysia's tropical flower production, especially the nation's world-famous orchids, ending with a grand parade through the streets of Kuala Lumpur. The Malaysia Festival in September will showcase indigenous food, culture and handicrafts, while the Shopping Honey-moon in November will focus on domestic and foreign goods available in

Malaysia, including luxury items, arts, crafts and souvenirs.

Despite a downturn in the number of visitors from Europe and North America, Mr. Bakri is encouraged by the number of new arrivals from Asian destinations. "We have come to realize one thing: Asia is our major market now," he says.

The number of visitors from Singapore rose 15 percent last year - more than 500,000 new arrivals. The number of visitors from mainland China jumped 265 percent. There was also a substantial increase in arrivals from Taiwan. "The Taiwanese are emerging as the Japanese did about 10 years ago," says Mr. Bakri. "They still travel in tour groups with a tour leader, and they follow a strict itinerary. They spend most of their money on shopping, eating, karaoke and golf, but they also really enjoy themselves at the beach."

Mr. Bakri continues to believe in the "hands-on" approach to tourism development, and he feels strongly that it is the job of an organization like the MTPB to get actively involved in both promotion and the improvement of tourism infrastructure.

"We helped develop Club Med [at Cherating] just to give tourism a start on the East Coast," he says. "Sure, we suffered some losses at the start, but now we have a whole chain of hotels from Kuala Terengganu all the way down to Kuantan. It stimulated the industry. People began to think that tourism is viable, that it can be done. To me, that is the role of a tourism-promotion agency: providing an area where the industry can be more effective."

J.Y.

TOURISM CHIEF

AHMAD BAKRI

SHABDIN:

"WE HAVE COME

TO REALIZE THAT

ASIA IS OUR

MAJOR MARKET"



BUSINESS BRIEFS: GIANTS, LANDMARKS AND TROPICAL COVER

• Malaysia's newest port distribution park will open in September. The 63-acre (27-hectare) Port Klang Distribution Park, located in a free commercial zone, is a joint venture of

the Klang Port Authority and Peremba Bhd., a private company. The project will provide an additional 1.35 million square feet (122,000 square meters) of covered warehouse and 15 acres of open storage space for clients of the port. The business community and freight forwarders will now be able to import in bulk any commodity and to carry out transshipment, consolidation, repacking or re-labeling.

• One of Malaysia's premier hotels is the Hotel Equatorial, located on Jalan Sultan Ismail, one of Malaysia's major roads, just across the street from the towering Malaysian Airlines Building. Frequent travelers to Malaysia have been staying in this landmark hotel for years because of its service, comfortable rooms and proximity to Malaysia's business district, parks and one of the sites of Malaysia's famous food stalls. Just down the street is the Malaysia Tourism Information Center, which is housed in a building constructed in 1935 as a miner's mansion. This historic building was the headquarters for the British and Japanese army during World War II. Today, the building houses an exhibition hall, souvenir shop, restaurant and travel-services counters. For more information and reservations at the Equatorial, call 603-261-7777.

• There is good oil and bad oil, according to nutritionists, and palm oil appears to belong to the former category. Malaysia's Palm Oil Registration and Licensing Authority is urging consumers to take another look at palm oil. Products using palm oil taste good and keep well. Vitamin E and beta-carotene, antioxidants beneficial to health, exist in large quantities in palm oil. In addition, palm oil is cost-effective and ready to use; there is a steady supply of this environment-friendly commodity. For

more information about Malaysia's manufacturers of palm oil and the use of palm oil, contact PORLA, Lot 6, SS6, Jalan Perbandaran, 47301 Kelana Jaya, Selangor, Malaysia. Tel: 603-703-5544; fax: 603-703-3533.

• When the Tourism Development Corporation of Malaysia was set up in 1972, tourism was low on the nation's list of development priorities. Today, TDCM is at the center of one of Malaysia's largest projects, "Visit Malaysia Year 1994." The TDCM was moved from the Ministry of Trade and Industry to the new Ministry of Culture and Tourism in 1987, just in time to prepare for Visit Malaysia Year 1990. Since then, there has been no looking back. The TDCM has its headquarters in Kuala Lumpur and offices in the south at Johor Bahru, in the north at Pulau Pinang, and on the east coast at Terengganu, Sarawak and Sabah. There are eight international offices, located in Australia, Japan, Thailand, Singapore, Britain, the United States, Germany and Hong Kong. If you are thinking of visiting Malaysia, write to the TDCM Headquarters at Putra World Trade Center, Jalan Tun Ismail, 50480, Kuala Lumpur.

• Tenaga Nasional Berhad is literally Malaysia's powerhouse. It is a publicly listed company licensed for the generation, transmission and distribution of electricity, supplying about 97 percent of the Malaysian peninsula. TNB was listed on the Kuala Lumpur Stock Exchange in May 1992 - the biggest offer in Malaysia's corporate history. TNB's total installed capacity at the end of 1992 was 5,652 megawatts, and the company's revenue sales reached 4.09 billion Malaysian dollars (\$1.6 billion), an increase of 16 percent over the previous year. Profit before tax

more than doubled, while fixed assets stood at 14.97 billion Malaysian dollars.

• Malaysia's forest-management policy is one of the best among tropical countries and even exceeds that of some developed countries, according to the International Tropical Timber Organization. One group dedicated to upholding a responsible forest-management policy so that forests can be sustained and timber remain a viable industry for generations to come is the Malaysian Timber Industry Development Council. The MTIDC points out that Malaysia has ensured that at least 50 percent of its land area will remain permanently under forest cover. For more information, contact MTIDC, 9B, 9th floor, Bangunan Arab Malaysia, 55, Jalan Raja Chulan, 50200, Kuala Lumpur. Tel: 603-232-3999; fax: 603-238-6376.

• Fortune magazine has called this company "a new breed of corporate giant rising to challenge top business in both the Orient and the West." This is Sime Darby, Southeast Asia's largest multinational company. A strategy of diversification has broadened Sime Darby's base from commodity trading and plantations to engineering, fabrication, general trading, heavy equipment, insurance, manufacturing, motor distributorship, packaging, property development and leisure. This year, Businessweek added an "Emerging Markets 500" list to their annual "Global 1000" of the world's most successful companies. While most of Malaysia's neighbors were home to companies on the "Emerging Markets 500" list, Sime Darby was not. Instead, Sime Darby was listed among the "Global 1000," ranked 794, with a market value of \$2.89 billion, sales in 1992 of \$2.42 billion and assets worth \$2.57 billion.

T.A.

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ENERGY KEEPS THE HOME LIGHTS BURNING

While Malaysia's oil and gas reserves remain substantial, the petroleum industry realizes they are finite. Domestic consumption of energy is rising at an alarming rate as Malaysian business and industry revs into high gear and consumers convert their hard-earned wages into new cars, stoves and refrigerators. Meanwhile, oil prices have stagnated in the wake of a global glut. As a result, Malaysia now finds itself in the middle of an energy revolution that spells major changes in terms of both production and utilization. No longer content to merely produce oil and natural gas, the petroleum industry is moving into a diverse range of downstream products for export and domestic use that will add immeasurably to the value of both natural resources.

The national energy network is being extended and upgraded. With underground and offshore re-

serves that are three times greater than known oil reserves, the future would seem to belong to liquefied natural gas. LNG is already in hot demand both at home and abroad because gas is environmentally friendly compared with other energy sources like coal and oil.

Malaysia has the world's largest gas-conversion plant, a joint venture between Royal Dutch Shell, Mitsubishi, the Sarawak state government and Petronas, the national oil company. The facility is currently producing 8 million metric tons a year for sale to utility companies in Japan, Taiwan and South Korea, and there are plans to double capacity by 1995. A second gas-conversion facility is on the drawing boards, a proposed joint venture between U.S.-based Occidental Petroleum, Nippon Oil and Petronas. The second facility would also be located in Sarawak, which has proven gas reserves of 27 trillion cubic feet.

The nation's other massive gas field is Jerneh, situated off the northeast coast of peninsular Malaysia. Unlike gas from Sarawak, gas from Jerneh has been earmarked for local use through the Peninsular Gas Utilization project.

While LNG may be the current "darling" of the energy industry, there is also growing demand for oil-based products. Malaysia is currently pumping about 630,000 barrels of oil each day from fields in Sabah, Sarawak and Terengganu. Nearly a third of that goes toward domestic gasoline consumption. Industrial oil demand is also soaring. As a result, major retailers like Shell (with 30 percent of the domestic gasoline market) and Esso (20 percent) have been working with Petronas to increase and diversify refinery production into downstream products.

Malaysia is also diversifying its energy industry through the manufacture of oil- and gas-production



PUMPING 630,000 BARRELS OF OIL DAILY.

equipment, especially the design and fabrication of offshore platforms. Sime Darby, one of Malaysia's largest companies, has developed a platform production facility at Pasir Gudang Industrial Estate in Johor; the company is making support structures,

jackets and modules for Petronas and Esso operations in the South China Sea, including the Jerneh Gas Field. Sime Darby has also found a budding overseas market for its energy platforms, which it hopes to parlay into a major export business. J.Y.

BUSINESS SEEKS OVERSEAS MARKETS

Malaysia has a long history of trading beyond its national boundaries. The GATT World Trade Report (1992) ranks Malaysia as the 23rd-largest exporting nation, with total merchandise exports valued at 103.5 billion Malaysian dollars (\$40 billion). Projections are for annual exports to increase to 1.5 trillion Malaysian dollars by the year 2020.

Traditionally, much of that trade has been within Southeast Asia, where Malaysia has always been a major player. Malaysia, for instance, is the third-largest source of Singapore's imports, after the United States and Western Europe.

In recent years, however, Malaysia has been looking beyond Southeast Asia for export markets - especially for manufactured goods rather than raw commodities. Outside of the Association of Southeast Asian Nations, Malaysia's major trading partners are Japan, the United States and Europe. Together with Singapore, these countries accounted for more than 70 percent of the country's total trade (160 billion Malaysian dollars) last year.

One of the most outstanding examples of Malaysia's manufacturing export drive is the Proton Saga automobile, which recently achieved something of a coup in Britain's car market. In late 1992, Proton became the first non-European passenger car to be approved by the British Home Office for use by police forces.

Malaysian business executives have come to realize, however, that growth can be achieved beyond direct exports. As a result, entrepreneurs are now spreading their wings to establish operations in places as diverse as Cambodia, Egypt, China and Syria.

One Malaysian businessman is selling Cambodian fresh-water fish to restaurants in Hong Kong, Singapore and Kuala Lumpur. The Asia PR Group, another Malaysian company, is trying to build a mini media empire in Cambodia with an eclectic operation that already includes advertising, printing, public relations and an English-language paper called the Cambodia Times.

Malaysians are also heavily involved in Vietnam, slipping in ahead of the predicted end to the American embargo. Malaysian United Industries Bhd., for instance, is spending \$1 million to develop a cement-production business. Future plans call for expansion of the cement venture into Hong Kong and China.

Malaysia has also made a big push into China, where its direct investment is expected to reach 8.2 billion Malaysian dollars by the end of this year. Malaysian capital is concentrated in several key industries, including construction, food processing and hotels.

One of the most unusual Malaysian ventures in China is a computerized social-welfare lottery in Guangdong Province; the lottery is organized and produced by the Berjaya Group, one of Malaysia's largest and most diverse companies. Berjaya is also involved in several other overseas ventures, including hotel projects in Fiji and Mauritius.

Malaysian companies are also helping the Philippine government develop the former U.S. naval base at Subic Bay into a duty-free zone that will encompass trade, industry and entertainment.

As Malaysia's push toward full industrialization eases up more and more of the land and labor traditionally used for agriculture, the country's three largest plantation groups are setting up business overseas in order to stay competitive in the world market. Sime Darby's Consolidated Plantations division is building a palm-oil refinery on the banks of the Suez Canal to process edible palm oil for the Egyptian and West Asian markets. Consolidated is also searching for edible-oil refineries located in Namibia, Tanzania and China.

The Guthrie Group - one of the great names in Malaysian rubber - is currently making rubber gloves in Russia (with its own Malaysian-grown stock) and is exploring the possibility of taking over tea and rubber plantations in Sri Lanka.

Golden Hope Plantations is developing an edible-oil (palm, peanut and coconut) factory in Vietnam to serve consumers throughout the huge Indochina market.

Petronas, the national oil company, is stepping up its overseas exploration efforts as part of a long-range plan to become a global energy company in the same vein as Exxon or Shell. In late 1992, in a partnership agreement with Australia's Broken Hill Pty., Petronas won the right to develop Vietnam's offshore Dai Hung oil field. The company has also obtained rights for oil and gas exploration in parts of China, Burma and Syria, and it is considering exploration in parts of the former Soviet Union.

To help these entrepreneurs wishing to venture abroad, the Malaysian Trade Development Corporation is in the process of identifying locations for its own offices abroad. In all but the most key markets, these Matrade offices will take over duties presently performed by trade commissioners. The government has announced that it will do everything in its power to promote Malaysian goods and services abroad and to support efforts by the private sector to secure overseas contracts. J.Y.

REAPING THE BENEFITS OF AN ECONOMIC OVERHAUL

Continued from Page 1

a lot, especially in terms of education," he says.

All one has to do is glance back over recent history to realize just how much Malaysia has accomplished in a short time span. The country gained its independence from Britain in 1957 after a 10-year communist insurgency called "The Emergency," which at times approached the ferocity of the Vietnam conflict a decade later. The communist uprising was not completely crushed until the early 1980s, when the last rebel forces came out of the jungle.

The early days of independence were marked by a bloody border dispute with Indonesia (over the Sarawak-Kalimantan frontier) and a political dispute with Singapore that ended with the island being ejected from the Federation of Malaysia.

Military and political disputes settled, the country embarked on a period of economic growth based on an agricultural and mining sector developed during British colonial times. Tin and rubber income buttressed the young nation, "allowing modest growth. Malaysia, however, nearly made a fatal mistake by staking its future on these two commodities because both tin and rubber markets sank in the late 1970s.

Malaysia could have easily gone the way of other Third-World nations that stagnated in the wake of commodity crashes, but the national leadership had both the energy and acumen to steer Malaysia on a new course. Almost overnight, the economy switched from an almost total dependence on tin and rubber to a much broader economy that in-

cluded oil and natural gas, timber, manufacturing, tourism and various service industries.

The key year was 1986, when the federal government swept away much of the red tape and antiquated laws that hampered foreign business in Malaysia. Many industries were deregulated, government monopolies shattered, the banking and finance sectors completely overhauled and tax incentives established as the country threw open its doors to foreign investment and expertise. Another key step was the National Development Policy of 1990, the long-awaited overhaul of an earlier ethnic-economic plan that had also been a major impediment to foreign investment.

Free trade and private enterprise became the bywords of the economic transformation, as Malaysia rushed to catch up with its burgeoning Asian neighbors. And catch up it did, much quicker than anyone could have imagined.

In less than a decade, factories have supplanted farms as the country's largest money-spinner. The contribution of the manufacturing sector to GDP grew from 19.4 percent in 1980 to 28.1 percent in 1991. At the same time, the share of Malaysia's exports taken up by manufactured goods rose from 21.9 percent to 65 percent. Overall, the industrial sector is expanding at an average of more than 20 percent annually, and more than 3,000 international manufacturing companies have set up in Malaysia.

The jobs and money generated by this tremendous growth are literally changing the face of Malaysia. High-rise skylines have overtaken the old colonial buildings in Kuala

Lumpur, Johor Bahru and Penang. People are starting to shop in huge, air-conditioned shopping malls rather than street markets. An American-style four-lane expressway is taking shape along the west coast of peninsular Malaysia, the finest long-distance road in all of Southeast Asia. New golf courses are being built at a faster rate than anywhere else on the globe.

It would be easy for Malaysia to rest on its laurels, satisfied with the growth it has already achieved, but national leaders are already thinking about the next century with an intent to forge Malaysia into a first-world nation over the next three decades. Prime Minister Mahathir Mohamad has devised a blueprint for the future called Vision 2020 - a broad strategy that encompasses economic and social development.

Mr. Mahathir foresees a Malaysia with a standard of living equal to that of Europe and North America, a country where poverty and illiteracy have been eliminated and where both the education and health-care systems are among the best in the world. He feels that Malaysians should maintain their basic culture and values, be they Malay, Chinese or Indian.

To achieve these lofty goals, the government knows it must continue to stoke the flames of industrial growth by boosting productivity, raising the skill level of the work force and creating an environment in which both foreign and domestic investors continue to perceive Malaysia as a place where they should put their money. "I think the private sector could do more to improve the technical abilities of the Malaysian work force," says Yong Teck Ming, executive director

of the Berjaya Group, one of the country's largest and most diverse conglomerates. "Maybe the private sector could set up its own research institutes."

At the same time, the government and private business are striving to reinforce and diversify industrial sectors where Malaysia already has an edge and creating whole new industries.

Another of the country's ongoing crusades is the replacement of raw commodity exports (like timber, oil and rubber) with downstream products that bring a much higher value. For instance, Malaysia has gone from being the world's largest supplier of unprocessed rubber to being the world's largest producer of rubber gloves.

At the same time, the manufacturing sector is moving into "cleaner" high-tech industries that require less labor and are more environmentally friendly, a move similar to what has been taking place in Singapore and Japan. Meanwhile, the country will continue to shed labor-intensive industries in favor of nations like Indonesia, Vietnam and China, which have much larger, cheaper work forces.

"Malaysian workers are now commanding higher and better rewards," says Mr. Tajudin. "Rather than have them migrate elsewhere, it is better to bring new industries here. Two things must be done: We must develop more high-tech industrial parks and introduce more advanced technology. This will not only ease the problem of labor shortage, but also give us a better financial return."

More privatization is also in the cards, as private companies move into areas

that until recently were the exclusive domain of state-owned enterprises; these areas include energy, telecommunications, transportation and mining. More than 250 state-owned companies - with a total value of 16 billion Malaysian dollars (\$6 billion) - are slated for privatization by the year 2000. The public and private sectors will continue to pump money into infrastructure development as well, expanding and improving the efficiency of seaports, airports, road and rail systems, power and water supply, and communications. The government has pledged \$10 billion to infrastructure development over the next decade.

Joseph R. Yogerst

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TOURISM MALAYSIA

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SCALING THE HEIGHTS: MALAYSIA IS A FEAST FOR NATURE-LOVERS.

SAVING THE WILDERNESS: AN ECOTOURISM LABORATORY

Continued from Page 1

the industry pulled in an estimated \$1.96 billion in 1992.

In many instances, limits must be placed on the number of visitors who frequent a site or location. In Malaysia, for example, the number of tourists permitted to visit sites where giant turtles lay their eggs is strictly controlled.

While numbers must be reduced, Mr. Western says that "we must discard the platitude that high-volume tourism is bad and low volume is good." Instead, the industry should change the way tourists venture out through calling on tour-group operators to educate clients about how to avoid abusing the land and culture they visit.

Taman Negara, for instance, has not changed much in 160 million years. The colonial administration established a game reserve for hunting, shooting and fishing in 1925. Located in peninsular Malaysia, Taman Negara is now a national park with no roads and no settlers other than the tribal Batek people. In 1991, the government allowed Pernas OUE, a private company, to develop a 20-hectare clearing. Management of the project was subcontracted to Singapore Mandarin International Hotels and Resorts. The resort takes its social obligations seriously. Guests are encouraged to inspect the waste-disposal plant. Biodegradable waste is fed into a compost machine, which turns out garden fertilizer. The resort recently held a competition to

see which visitor could collect the most rubbish along jungle trails.

Malaysia's tour operators are on the bandwagon. Nature tours are widely available; these range from a day-long jungle walk in Genting Highlands or whitewater rafting down the rivers of Sabah and Sarawak to the more strenuous Taman Negara sojourn or the ascent of Mt. Kinabalu.

"The demand for nature tours is growing," says Anthony Wong, managing director of Asian Overland Services Tours and Travel, which started business 17 years ago as a two-man company exclusively selling nature and adventure tours in peninsular Malaysia, Sabah and Sarawak. Other companies that offer these kinds of tours include Reliance SMAS Tours; Borneo Adventure, based in Kuching, Sarawak; and Api Tours, based in Kota Kinabalu, Sabah.

Even established, city-based, up-market hotels are getting involved in conservation. "Kuala Lumpur is a green city," says Willie Ooi, who handles sales and marketing for the Shangri-La Kuala Lumpur. He says the hotel, in keeping with the trend, has embarked on a "green movement," which involves recycling, replacing plastic with reusable items and moving more plants into the lobby. Plastic laundry bags, for example, have been replaced by canvas bags, and laundry is returned in reusable rattan holders instead of plastic wrap.

The Shangri-La Kuala Lumpur

now uses special light bulbs that consume 75 percent less energy. Water used in flushing toilets has been reduced by 35 percent, and this Christmas, the Shangri-La Kuala Lumpur will give away potted plants instead of hampers and cakes.

Malaysia hopes to attract some 6.6 million visitors in 1993, representing about a 10-percent increase over 1992.

Malaysia now has some 60,000 hotel rooms, and more budget and mid-priced hotel projects are in the works. The government is considering bids by seven contractors to build 10 budget hotels throughout the country. Under the Sixth Malaysia Plan, \$39 million has been allocated to build 20 budget hotels in two phases, with the first 10 to be completed in early 1994. Kuala Lumpur is due to have a new \$7.8 billion airport at Sepang with a capacity of 100 million passengers a year.

There are no available statistics to indicate how much of Malaysia's tourism revenue is generated through ecotourism, but industry insiders suggest the amount is growing faster than that generated by any other type of tourism. Although ecotourism is not expected to replace mass tourism, it is a trend to watch. "Tourism used to be sun, sand and sex, but now this kind of tourism is passé," says Robertson Collins, president of Tourism Development and Heritage Conservation.

Teresa Albor

TRANSPORT SECTOR: BLUEPRINT FOR DEVELOPMENT

Both the Malaysian government and people realize there is no standing still if the country is to achieve first-world status by the year 2020. As a result, Malaysia is busy on land, at sea and in the air, upgrading its transportation links.

One of the tenets of the Sixth Malaysia Plan (1991-1995) is that infrastructure development must be stepped up considerably to meet the demands of rapid industrialization and to ensure that the country continues to attract hefty foreign investment. Transport is seen as the key area of infrastructure improvement.

Twenty-six percent of the SMP's 9.4-billion-Malaysian-dollar (\$3.7 billion) development budget has been allocated to the transport sector. The funds are earmarked not only for the upgrading of existing transport modes, but also for the creation of completely new networks and facilities.

Malaysia has been a nation of avid drivers since the first car arrived in 1896. Until recently, however, rural highway construction often lagged behind urban road development. A number of new or improved long-distance routes are currently in development, including an upgraded East-West Highway between Kota Bharu and Butterworth, and the new North-South Expressway - a four-lane toll road that will eventually stretch along the entire west coast, from Johor Bahru to the Thai border. In addition to making life easier for ordinary motorists, the route will also allow easy access to the ports for surface freight.

Although Malaysia is nearly surrounded by water, the country has a dearth of deep-water ports. Work is currently under way to expand docking facilities at a number of locations, including Butterworth/Penang, Port Klang, Kuantan, Bintulu and Johor.

Johor is hoping to rival Singapore one day as an international gateway. The 312-million-Malaysian-dollar third phase of the Pasir Gudang port expansion will double Johor's port capacity by next year; construction of the 259-million-Malaysian-dollar fourth phase is expected to be completed by 1995. Even with this extra capacity, however, Johor's current port will be stretched to meet demand by the end of this decade, so a second port is being developed at Tanjung Pelepas, with completion slated for the year 2000.

Johor's economy would get a further boost from a proposed 1.6-billion-Malaysian-dollar second link with Singapore, a giant bridge that would leap the strait between Singapore's industrial Tuas district and Gelang Patah near Johor's second port. This would allow Johor to provide warehousing and bonding facilities for Singapore's thriving shipping and air-cargo industries.

Malaysia Airlines plans to increase its fleet by nearly half, to more than 100 aircraft, by 1997 in order to keep pace with rapidly increasing domestic and overseas demand.

Meanwhile, Malaysia Airlines has tied up with two other top Asian carriers - Singapore Airlines and Cathay Pacific - to offer a frequent-flyer program to first- and business-class passengers. Additionally, the airline has announced several measures to upgrade its services and facilities. First- and business-class passengers will soon be entertained by Skyvision, in-flight videos and music selected from compact discs. In-flight phone calls will

also be possible. Food and serving equipment are being improved, and the airline plans to expand its telephone check-in facility.

Construction of the new international airport in Sapang, about 30 kilometers (19 miles) south of Kuala Lumpur, is expected to start late this year, with scheduled completion in 1997. Located on a huge 10,000-hectare (24,700-acre) site, the airport will be one of the largest in the region; it will have four separate runways. The estimated cost is from 8 billion to 10 billion Malaysian dollars, but the government figures that is what it will take to compete with Singapore's highly successful Changi Airport.

Once an air-traffic-services modernization program is completed in 1995, Malaysia's air-traffic-control system will also be one of the most advanced in the region. The program, which began two years ago, will allow for complete automation of the country's 20 airports, with the new Sapang airport as the hub.

To alleviate traffic snarls on the roads to and from the new airport, the government is developing a dedicated electric train route between Sapang and Kuala Lumpur. Meanwhile, a new light rail system is under construction. When completed in 1995, the 12-kilometer system is expected to alleviate the growing traffic congestion in the federal capital.

With more punctual service, better food and video entertainment, Malayan Railways is fighting back against



MALAYSIA AIRLINES: TRANSPORT SECTOR IS TAKING OFF.

stiff competition from overland buses, domestic airlines and car-hire-companies. The national railway company is also aiming for well-leeed travelers.

The luxury Reserve Saloon, available in the past only to corporate clients and VIPs, is now being offered to the general public. From September, those who want an even more elegant and romantic journey - with a touch of 1930s nostalgia - will be able to board the new Eastern and Oriental Express, a cousin of the Orient Express train in Europe.

Transport Minister Ling Liong Sik says that his government realizes that development of the transport sector alone will not necessarily result in an efficient and economically sound transport system. Therefore, the government is placing equal emphasis on strategies such as deregulation, rationalization of trade procedures and documentation, as well as privatization. If the government gets its way, Malaysia's transport networks may be largely operated and managed by the private sector by the year 2000, with the government involved only in broad policy matters, licensing and regulatory functions. J.Y.

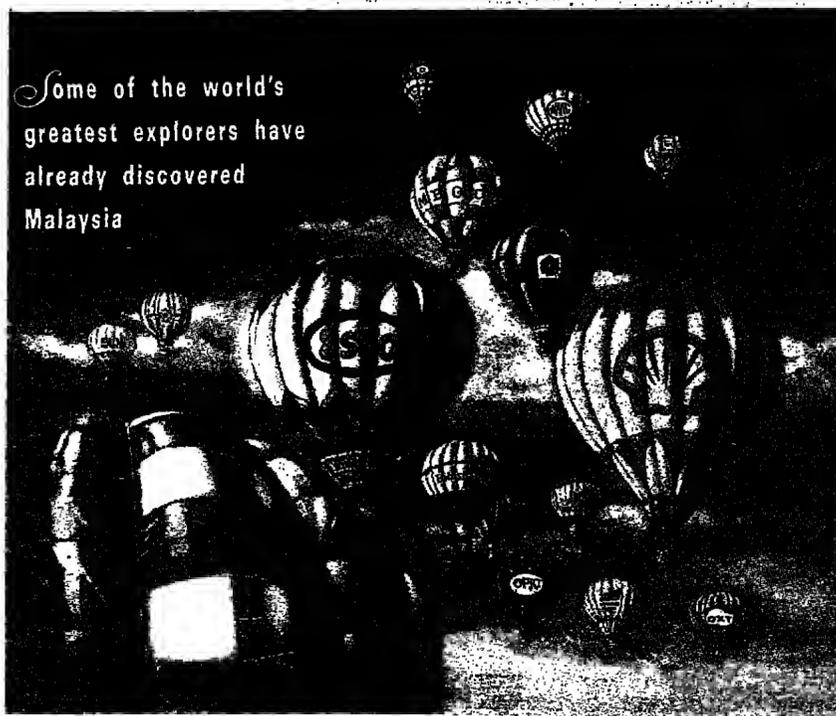
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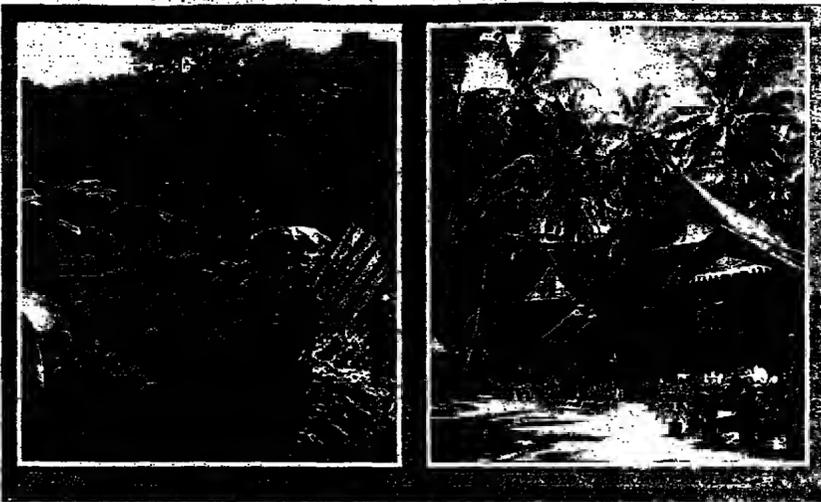
PETRONAS, as Malaysia's national oil corporation, has to date signed more than 30 production-sharing contracts with a good

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WHERE OLD MEETS NEW (AND REFUSES TO DISAPPEAR)

Georgetown is the gem in the crown of Penang, a popular tourist destination for decades that combines sun, sea and sand with culture, food and heritage. Penang is located on the northwestern coast of peninsular Malaysia and consists of an island and a strip of land off the mainland. The island was a British trading post as early as 1786. While Penang is an interesting but long drive from Kuala Lumpur, a short and economical domestic flight is the transport of choice for most tourists. Malaysia Airlines has as many as 24 flights a day.

On the hilly island, beach resorts are not far from cool hill stations and, at the center of it all, is one of the most unique cities in the world. The city of Georgetown on the island of Penang is living culture at its best — eclectic, colorful and lively.

A walking tour is the best way to see and be a part of this intimate capital city. Fort Cornwallis, which guards the northeast coast of Georgetown, is a solid structure decked with cannons. In the 1800s, the British East India Company decided Penang Island was the ideal place to stop off on voyages between Calcutta and Madras. Convicts rebuilt the original wooden fort with stone from 1808 to 1810. From the fort, you can see fishermen casting their lines along the Esplanade, which is dotted with the colorful sun umbrellas of food stalls. This part of the city is full of quaint shopping streets where embroidery work, silks, batik cloth and antiques are for sale.

Visit another part of the city, and you will be transported to India. Sarees are displayed in shop windows, and street vendors hawk Indian food.

In yet another neighborhood, the Koan Yin Temple is home to Penang's Goddess of Mercy, who is loved by a wide spectrum of Southeast Asians: the young, the old, the traditional and the strikingly modern. Outside, Chinese opera is sung endlessly on a gaudy stage amplified by an

old-fashioned, rickety microphone, and giant joss sticks fill the air with pungent incense.

Only two blocks south of the temple sits the Kapitan Kling Mosque. If you stand in the Kuan Yin Temple and listen carefully, you can make out the chanting of the eerie and beautiful Islamic call to prayer above the din of those praying in the temple and the high pitch of the Chinese opera singers.

If you have not filled up on Chinese or Indian food stalls, there is always the dining room of the Eastern and Oriental Hotel, known as the "E & O." This graceful, colonial-style hotel is located on the waterfront. Steak and kidney pie or curry are on the menu.

For those who venture out of Georgetown, there are more than a dozen coastal hotels and resorts. Penang hill, a pleasant cool retreat from the hustle and bustle of the city, is just outside the city. Penang also has an 18-hole golf course.

On the western side of the island, there are dozens of small kampong villages, or sleepy fishing hamlets where life seems to have not been affected by the development of Malaysia. At the northern end of this coast is a wilderness area spliced by trails through the rain forest and a butterfly park where visitors enter a vast "aviary" where butterflies pause on their arms.

Several events are planned for Penang during 1994, which has been designated "Visit Malaysia Year." One such event is the Festival of Traditional Dances and Music, to be held from April 25 to 30. Another is the annual Penang Bridge Run in May, when thousands of runners compete in a race across the world's third-longest bridge, the Penang bridge, which links the mainland of peninsular Malaysia with Penang island.

For more information, contact the Penang Tourist Association, P.O. Box 444, 10760 Penang.

MANAGED OR FREE TRADE? A LOOK AT THE OPTIONS

Rafidah Aziz was a university lecturer in economics at the University of Malaya before joining the government in 1977. She served as deputy minister of finance and minister of public enterprise before becoming the country's minister of international trade and finance, and she has led many foreign trade missions. Considered to be one of the busiest and fastest-speaking ministers in Malaysia, Rafidah Aziz warns visitors to be on time and bring a tape recorder. The following are excerpts from a recent interview with her.

Managed rather than free trade seems to be gaining momentum. What are the strategies Malaysia and other countries in the region might adopt to deal with managed trade?

We want to tell developed countries that are going the way of managed trade not to do so. They should subscribe to multilateral and international trade rather than managed trade. Malaysia would like to see other countries that oppose this approach get together and have a strong voice. Malaysia has been a leader in pushing for the formation of an East Asian Economic Caucus (EAEC). What would be the mandate of such a group, and why would it be important to Malaysia and the region?

The EAEC will call the countries of East Asia to meet together from time to time at various levels to discuss issues of common concern [such as] trade, cross flows of investment, technology transfer and anything of interest to the region in their effort to increase their trade performance and enhance their own economic development. At the moment, the critical issue is trade: how to enhance East Asian trade, how to make sure countries outside East Asia do not subscribe to managed trade or use protectionist barriers. By the end of the year, we hope the EAEC will be formalized, the first step toward convening meetings.



TRADE AND FINANCE MINISTER
 RAFIDAH AZIZ:
 'THE CHALLENGE IS FOR US TO ENTER NEW MARKETS'

In the past, there has been some resistance to the idea of forming the EAEC, especially from the United States. Has the change in administration brought about any change in attitude that you are aware of?

The previous U.S. administration thought that if they were not involved in a grouping or other entity in this part of the world, they would be excluded from any discussion and would be left out. That is why they were against the formation of the EAEC. This is an East Asia caucus — geographically they cannot be in it, but the United States is a major partner of all [East Asian countries]. Certainly, when we discuss trade, investment and development, the United States would indeed be part and parcel of the discussion. East Asian countries are not going to work by themselves in a vacuum. At the moment, the new [U.S.] administration says it is not fair for them to make any value judgement now because they do not know exactly which way the EAEC is going, and so they have followed the path of letting the ASEAN countries decide.

Malaysia, as a member of the Association of Southeast Asian Nations (ASEAN), is participating in the Asian Free

Trade Area scheme. What benefits does Malaysia hope to gain from participating in AFTA? How would AFTA and the EAEC complement each other?

In many ways, they will overlap, just as NAFTA overlaps with GATT. This sort of overlap is not bad. It overlaps in a way that enhances the situation. [The groups aim to] increase free trade and regional trade.

Has the failure to resolve the current Uruguay Round had a negative effect on Malaysia?

Malaysia does not suffer alone. Everyone has suffered directly or indirectly from the unilateral trade actions taken by the major countries and also because of bilateral deals some countries have made. For example, when there are deals cut unilaterally between the United States and the European Community in the areas of commodity support, we are affected.

The completion of the European Community's single market as of Jan. 1, 1993 and the signing of the North American Free Trade Agreement on Dec. 17, 1992 (which has not yet been ratified) are events that both challenge and represent opportunities for countries in Asia. Can you discuss the challenges and opportunities these events represent for Malaysia?

There will be competition, but the challenge is for us to enter new markets. We are well placed to do so because we have experience in [producing] a whole range of electronic products and resource-based products. The challenges are that, within the EC and in the case of NAFTA, Mexico and other developing countries will compete with Malaysia in terms of attracting foreign investment, especially for lower-end technology and industries that require a lot of labor. Malaysia is no longer a viable host for these kinds of industries anyway. Market access [is another factor] since investors would like to locate themselves nearer to the market. We ourselves are thinking of placing our operations in these countries. The challenge is for us to be competitive in those countries ourselves. And, operating from this part of the world, we have to be competitive in marketing our products, meeting the high standards the EC will probably be placing on imports and making sure we have a slice of the extra cake that will result because of the increasing demand within the EC.

Both regionalism (the formation of trade groups) and multilateralism (a global trade regime) have been embraced by many economists as they advance the argument that both can work toward achieving the goal of free trade. Do you agree or disagree with this argument?

These trade groupings will only be positive if the objectives are to contribute to multilateral trade — within the grouping, within the region and globally. But if an entity, from the very beginning, has protectionist elements and sidelines the interests of third countries by various regulations and rules, the trade bloc will inhibit multilateral trade. If it is clear that the objective of a trade grouping is to enhance trade among member countries and at the same time is nondiscriminatory, we do not need to fear them.

Interview by T.A.

Malaysia

POWERHOUSE OF THE 90s

A MAJOR NEW CONFERENCE ON TRADE AND INVESTMENT OPPORTUNITIES IN MALAYSIA KUALA LUMPUR · NOVEMBER 14-16 · 1993

CONVENED BY THE INTERNATIONAL HERALD TRIBUNE IN ASSOCIATION WITH THE MALAYSIAN INDUSTRIAL DEVELOPMENT AUTHORITY AND THE INSTITUTE OF STRATEGIC AND INTERNATIONAL STUDIES

THE ISSUES

- The conference will provide an up-to-the-minute overview of Malaysia's economy with a particular focus on opportunities for foreign investment. Sessions to be covered will include:
- Infrastructure and Construction
 - Power Generation and Telecommunications
 - High Technology and R&D
 - Emerging Securities Markets
 - Financial Services
 - Resource-Based Industries and Agriculture
 - Petroleum and Gas
 - Transportation Equipment

THE SPEAKERS

- Among the distinguished line-up of more than 20 government and business leaders from Malaysia and the rest of the world who will be addressing the conference are:
- Dato Seri Dr. Mahathir Mohamad PRIME MINISTER
 - Dato Seri Anwar Ibrahim MINISTER OF FINANCE
 - Dato Seri Rafidah Aziz MINISTER OF INTERNATIONAL TRADE AND INDUSTRY
 - Dato Seri Saamy Vellu MINISTER OF ENERGY, TELECOMMUNICATIONS AND POSTS
 - Dato Seri Lim Keng Yick MINISTER OF PRIMARY INDUSTRIES
 - Dato Seri Dr. Ling Liong Sik MINISTER OF TRANSPORT
 - Malcolm Williamson GROUP CHAIR, STANDARD CHARTERED
 - Tan Sri Azizan Zainul Abidin PRESIDENT, PETRONAS
 - Tan Sri Rashidan Baba EXECUTIVE CHAIRMAN, TELEKOM MALAYSIA
 - Tan Sri Anj Artope CHAIRMAN, TENAGA NASIONAL
 - Dr. Noordin Sopiee DIRECTOR GENERAL, ISIS
 - Anik Ithain CHAIRMAN, PHILIPS MALAYSIA

REGISTRATION INFORMATION

The fee for the conference is US\$ 995.00. Fees are payable in advance and will be refunded less a cancellation charge for any cancellation received in writing on or before November 1, after which time we regret there can be no refund. Substitutions, however, may be made at any time.

REGISTRATION FORM

To register for the conference, please complete the form and send it to: Brenda Haggerty, International Herald Tribune, 63 Long Acre, London WC2E 9PL, England.

Tel: (44 71) 836 4802. Fax: (44 71) 836 0717

Enclosed is a check for US\$ 995.00 made payable to the International Herald Tribune. Please invoice.

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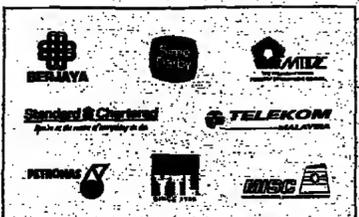
Malaysia Airlines extends to registered delegates preferential airfares. These airfares are not applicable for travel from Malaysian domestic cities and Singapore.

OFFICIAL HOST



The conference will be held at the Shangri-La Hotel, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. Tel: (603) 232-2388. Fax: (603) 230-1514.

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A view of part of the growing city of Kuala Lumpur

ADVERTISING SECTION

VISITING MALAYSIA? CHECKLIST FOR 1994 FEATURES SPORTS AND CULTURAL CELEBRATIONS

During "Visit Malaysia Year," festivities range from birdsong competitions to joyous celebrations of the anniversary of Malaysian independence. Listed below is a selection of 1994 events in Malaysia. For a complete listing, the "Travelers' Guide to Malaysia's Fascinating Treasures" is available from the Malaysian Tourism Promotion Board, Putra World Trade Centre, 45, Jalan Tun Ismail, 50480 Kuala Lumpur.

JANUARY

Jan. 1: Sarawak Regatta in Kuching, Sarawak. Relive the era of the "White Rajahs of Sarawak" and join thousands of spectators in colorful ethnic costumes as they cheer on their favorite longboats in this spectacular New Year's Day regatta.

Jan. 2-4: Perlis Bird Singing Competition, Perlis. Listen to melodious bird songs as prized singing birds from Malaysia and neighboring countries vie for top honors in this annual competition.

January-March: Malaysian Costumes Exhibition at the National Museum, Kuala Lumpur.

Come view the diversity of Malaysian costumes. On display are costumes for persons of rank and for religious and social celebrations. Be fascinated by the many different shapes and styles of dress and rich fabric designs.

FEBRUARY

Feb. 1-6: Asian Ramayana Festival, Kuala Lumpur. Experience the epic tale of the Ramayana as reworked in the form of the "Cultural Dance Drama," "Contemporary Dance Drama" and "Wayang Kulit." Originating in India and popular in Sri Lanka, Indonesia, Malaysia and Thailand, the Ramayana has since evolved into variations that incorporate elements of the indigenous cultures.

Feb. 24: Chap Goh Mei. This celebration, which falls on the 15th day of the Chi-

nese New Year, signals the close of the New Year festivities. It is celebrated on a grand scale by the Chinese community with prayers and offerings.

MARCH

March 13: Hari Raya Puasa. A joyous occasion as Muslims celebrate the end of a month of fasting. The day is ushered in with prayers and an "open house" for family and friends. Many tourists will be invited to savor the warm Malaysian hospitality during this occasion.

APRIL

April 15-24: Malacca Historical City Celebration and Toward 600th Anniversary Celebration, Malacca. Relive the glory of the Malacca Empire in this commemoration of Malacca's history. Festivities include shows by local and foreign cultural troupes.

MAY

May 29: KL International Marathon, Kuala Lumpur. Join thousands of runners as they pound the tree-lined streets of the nation's capital in their quest for the championship.

JUNE

Through December: Malay Golden Letters Exhibition, held throughout Malaysia.

This exhibition will highlight the Malay Golden Letters from British collections. The letters embody the highest standards of the Malay civilization, with its beautiful illumination and calligraphy, eloquent language and complex formal structure that mirrors the hierarchies of traditional Malay society.

JULY

July 3-10: Flora Festival, Kuala Lumpur. Experience the sights and scents of Malaysia's floral splendor during this week-long festival. Don't miss the

Flora Parade, the highlight of the festival, as beautifully decorated floats wind their way through the streets of Kuala Lumpur.

AUGUST

Aug. 27-31: National Day Celebrations, throughout Malaysia.

Watch the nation celebrate 37 years of independence. Towns and cities throughout Malaysia will be gaily decorated and adorned with bright lights for the grand occasion. Parades, exhibitions, stage shows and other cultural activities will be held.

SEPTEMBER

Sept. 10-24: Malaysia Fest, Kuala Lumpur. Savor the best of Malaysia, all in one place - Kuala Lumpur. For 15 days and nights, this "Garden City of Lights" will come alive with a myriad of handicraft, food, cultural and sporting extravaganzas.

International Puppet Festival, Kuala Lumpur. A display of the world's puppets, ranging from string puppets, rod puppets and hand puppets to "bunraku" and shadow puppets.

OCTOBER

Oct. 1-15: World Snooker Championship, 1994, Putra World Trade Centre, Kuala Lumpur. Fast-paced action as contestants from 52 countries cross cue sticks for the championship.

NOVEMBER

Nov. 25-28: Malacca Beach Festival, Klebang. Traditional and modern water sports are the highlights of this festival by the sea.

DECEMBER

Dec. 3-4: ASEAN Literature Meet, Morib, Selangor. This seaside resort is the venue for the international exchange of creative literary ideas.



A LAND OF TRADITIONAL DANCE AND MUSIC.



TRAVELING FOR SUN, SEA AND CELEBRATIONS.

KL CONFERENCE TO EXPLORE BUSINESS OPPORTUNITIES

Malaysia: Powerhouse of the 1990s - a major international conference on trade and investment opportunities in Malaysia - will be held in Kuala Lumpur on Nov. 15 and 16, 1993. Prime Minister Mahathir bin Mohamad heads the list of key leaders from the government and private sector who will be participating in this important event.

Among the topics on the conference's agenda are the future of Malaysia's economy and its role within the Association of Southeast Asian Nations (ASEAN) as well as the flourishing Kuala Lumpur Stock Exchange and the growth of the Malaysian securities industry.

There will also be a sector-by-sector analysis of trade and investment opportunities and practical advice on how to meet local business executives and potential investment partners.

Participants will also get the opportunity to develop relationships with top government officials and captains of industry and to glean crucial information on where high-yield opportunities for investment and cooperation can be found in Malaysia.

Delegates interested in learning more details about opportunities in specific areas of business can attend post-

Government and industry leaders will participate

conference seminars arranged by the Malaysian Industrial Development Authority (MIDA).

Senior government ministers addressing the conference include Anwar Ibrahim, minister of finance; Rafidah Aziz, minister of international trade and industry; Sany Vellu, minister of energy, posts and telecommunications; and Lim Keng Yaik, minister of primary industries. There will be discussion sessions with the ministers after their respective lectures.

Key leaders of the Malaysian business community who will attend the conference include Atok Ihan, chairman of Philips Malaysia; Ani Arope, chairman of Tenaga Nasional, the state power company; and Rashdan Baba from Telekom Malaysia.

Among other participants are Mohamad Munir Abdul Majid, chairman of the Securities Commission; Azizan Zainul Abidin, president of Petronas, the state petroleum company; the U.S. economic counselor, Paul Walters; and Malcolm Williamson, group chief executive of Standard Chartered Bank.

"Malaysia: Powerhouse of the 90s," which will take place at the Shangri-La Hotel in Kuala Lumpur, is convened by the International Herald Tribune in association with MIDA and the Institute of Strategic and International Studies (ISIS).

For registration or further information, contact Brenda Hagerty, International Herald Tribune, 63 Long Acre, London WC2E 9JH, England; tel: (44 71) 836 4802, fax: (44 71) 836 0717; or Justin Smith, International Herald Tribune, 7th floor, Malaysia Building, 50 Gloucester Road, Hong Kong; tel: (852) 861 0616, fax: (852) 861 3073.

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Malaysia is well on the way to fulfilling the objectives of sustainable forest management on the basis of ITC (International Tropical Timber Organization) guidelines through:

- ▶ strong commitment by the Malaysian Government, Federal and State, to manage the forest for present as well as future generations;
- ▶ progressive improvement of forest services and strengthening R & D, through the Forest Research Institute of Malaysia (FRIM) which is acknowledged as the world's leading research organization on tropical forest;
- ▶ successful diversification of the Malaysian economy, with less necessity to convert forest land to agriculture in the future;
- ▶ progress in poverty eradication, including the provision of social and economic opportunities for forest dwellers, which effectively reduces shifting cultivation practices on forest areas;
- ▶ promotion of eco-tourism where tourists can enjoy Malaysia's diverse natural forest, national parks, wildlife sanctuaries and nature reserves.

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森は永遠、マレーシアは常緑

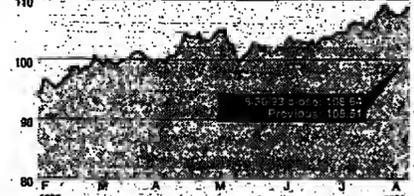


For more information please contact: The Malaysian Timber Industry Development Council, 9th, 9th Floor, Bengawan Arab Malaysia, 55, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia. Tel: 03-2523999, Fax: 03-2386376.



THE TRIB INDEX 108.64

International Herald Tribune World Stock Index of 230 internationally investible stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Index	Change
Asia/Pacific	107.29	+0.47
Europe	104.06	+0.51
N. America	108.64	+0.53

Category	Value	Change
Energy	107.29	+0.47
Utilities	114.43	+0.10
Finance	120.19	+0.43
Services	117.25	+0.02
Capital Goods	104.06	+0.51
Raw Materials	106.42	+0.28
Consumer Goods	89.82	+0.06
Miscellaneous	109.21	+0.05

INTERNATIONAL STOCKS

Unraveling Japan's Webs Of Cross-Shareholdings

By James Sterngold
New York Times Service

TOKYO — For years now, foreign and Japanese market analysts have invented reasons to explain why stock prices and most measures of share value in Japan should be many times higher than comparable measures in the West. Some said it was the tax structure, or the accounting system. Others argued it was a sort of unique cultural chromosome. Shojiro Koyama has looked at this question on behalf of the Finance Ministry, and he has another conclusion: The stock market in Tokyo is not really a market.

Mr. Koyama, dean of the economics department at Osaka University, is one of Japan's leading financial economists. He chaired an advisory commission that studied problems in the Japanese market and released this summer a report that produced some sobering conclusions — and some proposals that analysts say could have a major impact on a stock market closing in on its fourth year of a deep funk.

In short, the report offered the radical suggestion that the market should be a forum for the open interplay of supply and demand rather than manipulation by corporate interests. Corporations, it said, should be forced to disclose more information, raise dividends and be permitted to buy back their own shares.

It is a measure of the concern in Japan over the market's health that such ideas are being seriously considered within the government.

The report focused on what are known as *keiretsu*, or cross-shareholdings. These enveloping webs between companies and financial institutions have thwarted the free-market principles that stock exchanges supposedly reflect, the report said.

Mochizuki developed particularly during the 1960s. Companies spent huge sums building up cross-shareholdings with their banks, their suppliers, their major customers and other members of their closely knit groups, or *keiretsu*.

As a result, individuals have been slowly squeezed out of the market by corporate interests. Individuals hold just 20 percent of the value of all shares in Tokyo now, compared with more than 70 percent in the late 1940s and early 1950s.

According to Mr. Koyama, *keiretsu* protected companies from takeover, permitted companies to pay minuscule dividends and distorted the setting of prices, effectively pushing them too high. Even large pension and trust funds, which are supposed to seek

See WEBS, Page 12

U.S. Carriers Fear New Barriers

Talks With Bonn on Aviation Pact May Set Precedent

By Adam Bryant
New York Times Service

German and U.S. officials are meeting this week in Bonn to begin talks that they hope will salvage their threatened aviation agreement. This is the first of many talks in coming months for Washington as it contends with a growing list of countries that believe U.S. airlines carry more than their fair share of international traffic.

It is widely believed that the outcome of the German talks will set a precedent for those with other countries — including Japan, France and Australia — that have signaled a desire to slow the rapid expansion overseas by U.S. airlines like American, Delta, United and Northwest.

The manner in which these talks are resolved will have some impact on some other bilateral discussions we are having," said Federico F. Peña, the U.S. transportation secretary.

If negotiators for the United States do not find common ground with those countries, American travelers may face less frequent flights and higher fares to some overseas destinations.

Airline officials and aviation analysts are also watching Bonn for a clearer sense of the U.S. administration's strategy for dealing with these recent objections to long-standing bilateral aviation agreements.

The national commission ap-

pointed by President Bill Clinton to study the airline industry has recommended that the United States also pursue multilateral agreements.

Groupings by trading blocs are a popular notion, and that idea appears ripe for the airline business, particularly in light of a proposal by KLM, Swissair, Scandinavian Airlines System and Austrian Airlines to explore a merger.

Any movement toward multilateral agreements, however, would require that the participants not feel threatened, as many do now, by the United States. Thus, industry experts suggest that the United States balance firmness in maintaining short-term access to countries for U.S. carriers, while resolving current disputes diplomatically, with an eye to the future.

"It's a bit of a tightrope walk," said John F. Ash, a managing director of Global Aviation Associates, a Washington consulting firm.

The talks pending between the United States and other countries underscore why bilateral agreements are becoming obsolete. Roughly 1,200 international agreements dating from 1944 dictate where and how often airlines can fly to foreign countries.

But the rise of international marketing alliances, like the one between Northwest Airlines and KLM Royal Dutch Airlines, and the potential for multinational mergers, has complicated things.

"Pretty soon we won't know who we're negotiating for," said Patrick V. Murphy, acting U.S. assistant secretary of transportation.

Bilateral agreements have also come under fire in many countries because the global aviation recession has prompted all but a few carriers to look for ways to stem their heavy losses. One way to do that is to fight for a larger share of the many passengers flying to and from the United States.

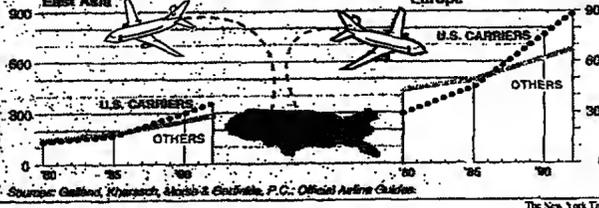
By the end of 1993, the world's major airlines — many of them state-owned or supported — are expected to have suffered losses of \$13.5 billion over a four-year period, according to the International Air Transport Association.

Despite their losses in recent years, the largest U.S. airlines

See AIR, Page 13

U.S. Airlines Stretch Their Intercontinental Wings

Number of flights a week between the United States and major markets in Europe and East Asia.



For Chinese Capitalism, a Long March

By Paul Blustein
Washington Post Service

CHANGCHUN, China — For all the stories about China embracing capitalism, for all the tales about Communist bigwigs starting businesses and former Red Guards trading stocks, the No. 1 Automotive Manufacturing Plant shows that old-style Leninism still pervades the country's economy.

The factory, built 40 years ago in this northeastern city with technical help from the Soviet Union, employs 100,000 people who as-

semble more than \$1 billion worth of Liberation trucks, Red Flag limousines and other vehicles a year.

Protected from efficient foreign competitors by steep tariffs, the plant is heavily subsidized and entirely government-owned, except for a separate joint venture with Volkswagen AG that produces sedans. Its sprawling grounds encompass a cradle-to-grave social-welfare system for the workers and their families: tens of thousands of apartments and dormitories, a hospital, 22 elementary and secondary schools, dozens of stores, a library and recreational facilities such as the Automobile Workers' Cultural Palace, where movies and plays are presented.

China's economy is "half-reformed," as the World Bank observed in a recent report, and the No. 1 Automotive Manufacturing Plant is an example of the unreformed half. Being semi-reformed might seem to pose little problem for China; the nation has posted double-digit annual growth rates over much of the past decade. But increasingly, economists — and apparently Chinese leaders, too — are questioning whether China can continue to thrive in its current hybrid form, neither full-fledged socialist nor capitalist.

The man responsible for launching the reform policy in 1978, the senior leader Deng Xiaoping, has brought China a long way toward a free-market economy. Prices of nearly all products, with a few exceptions such as petroleum, have

See CHANGCHUN, Page 13

Germans Split Over Stance On Farm Talks

Compiled by Our Staff From Dispatches

BONN — A dispute brewing within Germany's ruling coalition on whether to renegotiate some key points of the U.S.-EC farm accord came close to boiling point Monday as Foreign Minister Klaus Kinkel publicly contradicted Chancellor Helmut Kohl's spokesman.

Mr. Kinkel, leader of Germany's Liberal Party, said at a news conference that the government did not want "the Blair House agreement to be changed in any way."

But at the same time, Dieter Vogel, the government spokesman, said at a separate news conference that Germany did not consider the so-called Blair House agreement on farm trade to be definitive.

Germany has come under pressure from France, the other half of the European Community's core partnership, to push for an easing of the agreement with the United States under which the Community promised to cut subsidies to farmers.

Mr. Vogel said Monday that Germany did not want the Blair House accord to go beyond the provisions of the EC's reform of its Common Agricultural Policy. That has also been the French position.

The government spokesman said that "The EC Commission has assured us that this compromise was compatible with the CAP reform. France has doubts about this. We are going to study the French objections, and if necessary, we will ask the commission at the Sept. 20 meeting of farm ministers to come back to the disputed points in the preliminary agreement and talk about them again with the United States."

He also confirmed that a French-German working group would be set up this week to discuss the compatibility of the Blair House accord with reform of the Common Agricultural Policy.

The hard-won U.S.-EC agreement was seen as a milestone on the way to revising the stalled Uruguay Round of global trade talks under the General Agreement on Tariffs and Trade.

Comments by Chancellor Kohl

last week that Germany, like France, had "problems" with Blair House led to accusations that Germany could be retreating from its commitment to free trade.

But Mr. Vogel tried to deflect such worries, saying at the news conference that Germany was as determined as ever to see successful completion of the Uruguay Round, named after the country where the world trade talks were launched nearly seven years ago.

The dispute raised the prospect of a split in the ruling coalition. Mr. Kinkel, foreign minister and head of the free-market Liberal Democrats, junior partners in the government, said Blair House should not be tampered with or "unwound in any way."

The party has bitterly criticized French intransigence over the GATT negotiations in the past.

But Mr. Kinkel added that Germany was in a difficult situation and had to make every effort to reach a satisfactory solution with France.

A statement from the former Liberal Democrat president, Otto Lambsdorff, a firm believer in the free market, warned the German government about renegotiating the agreement, saying it would spell the death of the Uruguay Round and lead to an "indefinite international trade war."

Peter Sutherland, the new director-general of Geneva-based GATT, will try on Tuesday to re-launch the Uruguay Round and get participating countries to promise that they will push for a deal by December.

With this in mind, he will meet Mr. Kohl on Wednesday and Prime Minister Edouard Balladur of France on Sept. 8.

In Paris, a spokesman for the main French farmers' union said Monday that the union president would meet his German counterpart in Paris on Tuesday.

The spokesman said the two unions shared a hostility to the Blair House agreement and wanted renegotiation of the accord.

(Reuters, AFP, Knight-Ridder)

Crow Manages To Keep Going

By Jeanne B. Pinder
New York Times Service

DALLAS — Once the top U.S. real estate developer, a \$15 billion empire with scores of partners who shared in the ownership of hundreds of buildings, Trammell Crow Co. has shrunk and split into two: a company that manages properties for others with a paltry \$19 million in profit last year and a separate private corporation that owns \$5.5 billion in assets.

In just four years, two-thirds of the 180 partners lost their ownership interests in all buildings, and about that many left the company. In the same period, the company's staff was cut to 2,400 from 3,500. About 20 of its 90 U.S. offices were closed.

A paradox is that by the standards of its industry, many consider the Trammell Crow real estate empire a success just because it continues to exist and even makes money — although it is by no means certain that its effort to remake itself will be a victory.

Because of the collapse in U.S. commercial real-estate values, Trammell Crow, once a group of swashbuckling builders who made millions of dollars on construction nation-

wide, has spent the last three years turning itself into a company that earns nickels and dimes managing other people's buildings and sweeping their floors.

Most of the assets it owned during the building boom of the 1980s have been taken out of the hands of departing partners and put in the hands of the family of Trammell Crow, the founder, in the separate corporate entity, Trammell Crow Interests.

Trammell Crow Co. is ranked the top property manager in the United States by the amount of space in its portfolio: 242.2 million square feet (21.3 million square meters), in this year's survey by the National Real Estate Investor.

The landscape is littered with the carcasses of developers who failed, perhaps most notably Olympus & York Developments Ltd., the Canadian empire whose U.S. arm is still afloat and still struggling to refinance its debt.

Even at Crow, success is relative. At the Dallas headquarters, J. McDonald Williams, 52, the chief executive since 1977, said the changes had been wrenching.

"We got out of whack with

See CROW, Page 11

Procordia United Brands will on the 1st September 1993 become the business area Swedish Match

The management offices are moving, effective as of the above date, after which time their address will be:

Chemin du Canal 5,
P.O. Box 222,
CH-1260 Nyon, Switzerland
Tel: +41 22 363 93 93.
Fax +41 22 363 91 91.

Zündis, Fiat Lux, Cricket, Feudor and Poppell.

The business area's operations will, subject to the planned sale of the confectionery operations, concentrate on three product groups, namely tobacco, matches and disposable lighters.

The majority of the business area's sales are outside Scandinavia and their total worth amounts to approximately SEK 7.600 million, the net operating profit being approximately SEK 1.200 million.

The business area has approximately 8,000 employees and manufacturing facilities in 30 or so locations. It also has its own worldwide sales organizations in around 25 different countries.

The business area includes: Svenska Tobaks AB, the EBAS Group, the Pinkerton Group and Swedish Match Lights Division.

Well-known brand names include: *Blend, John Silver, Ettan, Greve Hamilton, Borkum Riff, Bellman, La Paz, Willem II, Clubmaster, Red Man, Granger Select, Half and Half, Solstickan, Swan Vestas,*

The business area is presently wholly-owned by Procordia AB. As a result of an arrangement between Procordia's principal owners, ownership of Swedish Match shall be deemed to have been transferred to the Volvo Group, the transfer to be effective from the latter half of 1993. The business area company and its Supervisory Board remain in Sweden.



CURRENCY & INTEREST RATES

Category	Country	Rate		
Cross Rates	American \$	1.00		
	British £	0.75		
	French F	6.55		
	German M	1.93		
	Japanese Y	148.35		
	Swiss S	1.48		
	Canadian C	0.74		
	Australian A	0.76		
	Italian L	1.36		
	Spanish P	166.37		
Eurocurrency Deposits	1-month	5.75		
	3-month	5.50		
	6-month	5.25		
	1-year	5.00		
	Key Money Rates	1-month	5.75	
		3-month	5.50	
		6-month	5.25	
		1-year	5.00	
		Other Dollar Values	100 Yen	0.007
			100 Marks	0.005
100 Francs			0.015	
100 Liras			0.0002	
100 Rupees			0.000007	
100 Pesos			0.00002	
100 Won	0.0007			
100 Baht	0.00002			
100 Rials	0.0000002			
100 Dracmas	0.000000002			
Forward Rates	30-day	0.0001		
	60-day	0.0002		
	90-day	0.0003		
	120-day	0.0004		
	150-day	0.0005		
	180-day	0.0006		
	210-day	0.0007		
	240-day	0.0008		
	270-day	0.0009		
	300-day	0.0010		

MARKET DIARY

Telephone Shares Gather Strength

NEW YORK — U.S. stocks rose Monday, with several broad-market indexes setting records, buoyed by sliding long-term interest rates and a rally in telephone issues.

The Dow Jones industrial average withstood a late bout of profit-taking to edge 3.36 points higher, to 3,643.99.

Telephone stocks were rallying on expectations of higher sales resulting from a federal judge's decision to allow them to provide television services to their phone clients.

Among gauge setting records, the Nasdaq index of over-the-counter stocks rose 3.31, to 737.38, reflecting gains in the computer industry.

Bonded by evidence the economy is struggling, the bellwether 30-year Treasury bond rose 6/32, to 101 25/32, reducing its yield to a record low of 6.12 percent.

Bonds gained after the government said new home sales fell a sharp 3 percent in July, to an annual rate of 629,000.

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Sales of Marks for Yen Push Dollar Higher

NEW YORK — The dollar rose Monday in thin trading in a technical rebound.

Late in the New York day, the dollar stood at 1.6720 Deutsche marks, up from 1.6710 late Friday, and at 103.80 yen, unchanged.

The U.S. currency rose to 5.8475 French francs from 5.8255 francs and to 1.4725 Swiss francs from 1.4685.

There is no fundamental reason for the dollar to rise today, said David Gilmore, a currency analyst at McCarty, Crisanti & Maffei.

A spot dealer at a U.S. bank in Paris spoke of one buy order of \$100 million or so, which had a totally inflated effect due to the thinness of the market.

Lisa Pazer, an analyst at MMS

NEW YORK, said dealers had bought yen and sold marks.

There's so much uncertainty about dollar/yen, but the market apparently considers the yen a better buy today, she said.

She said the market was weighing what she called a confidential International Monetary Fund report which is described as the result of staff contacts with U.S. officials between June 16 and July 27.

The report made no mention, as far as is known, about the Federal Reserve's intervention of Aug. 19 buying dollars, which dropped the yen 4 percent versus the dollar.

In any event, the technical need for more dollars outweighed Monday's weak U.S. economic reports.

Sales of new single-family homes fell 5.0 percent in July. Also, the merchandise-trade deficit widened to a seasonally adjusted \$34.39 billion in the second quarter, the widest gap since the fourth quarter of 1987.

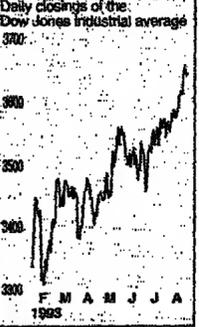
WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, and other international indices.

Table of world stock markets including Madrid, Milan, Paris, and other international indices.

The Dow

Daily closings of the Dow Jones Industrial average



NYSE Most Actives

Table listing the most active NYSE stocks including Amgen, Intel, and others.

AMEX Most Actives

Table listing the most active AMEX stocks including Intel, Amgen, and others.

NYSE Diary

Table listing NYSE diary items including advanced, declined, and suspended issues.

Amex Diary

Table listing Amex diary items including advanced, declined, and suspended issues.

NASDAQ Diary

Table listing NASDAQ diary items including advanced, declined, and suspended issues.

Dow Jones Averages

Table showing Dow Jones averages for Industrial, Midcap, Small, and Composite.

Standard & Poor's Indexes

Table showing Standard & Poor's indexes for Industrial, Midcap, Small, and Composite.

NYSE Indexes

Table showing NYSE indexes for Composite, Industrial, Finance, and Utilities.

NASDAQ Indexes

Table showing NASDAQ indexes for Composite, Industrial, Finance, and Utilities.

AMEX Stock Index

Table showing AMEX stock index.

Dow Jones Bond Averages

Table showing Dow Jones bond averages for 30 Bonds, 10 Utilities, and 10 Industrials.

Market Sales

Table showing market sales for NYSE, AMEX, and NASDAQ.

S&P 100 Index Options

Table showing S&P 100 index options for various months.

EUROPEAN FUTURES

Table showing European futures for Food and other categories.

Spot Commodities

Table showing spot commodities for various metals and minerals.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. odd-lot trading for various stocks.

Dividends

Table showing dividends for various companies.

Market Sales

Table showing market sales for various categories.

S&P 100 Index Options

Table showing S&P 100 index options for various months.

Specter Of Arrest Over Lopez

FRANKFURT — German prosecutors are considering filing a judge to issue an arrest warrant for José Ignacio López de Arriola.

"A case could be made that there is a danger he might flee the country or elude to obscure the investigation," the newspaper wrote.

Mr. Lopez, who joined Volkswagen in March from General Motors Corp., and seven other former GM managers who moved with him to VW, are being investigated on allegations of industrial espionage.

Meanwhile, Volkswagen's Spanish subsidiary, SEAT, dismissed a "pure speculation" newspaper report that Mr. Lopez, a Spaniard, would be joining SEAT as its board chairman.

"Those reports are totally unfounded and far-fetched," a SEAT spokesman said in Madrid. He also said a meeting of the VW supervisory board on Friday would deal with routine matters.

HOUSTON — Russia will privatize 60 percent of its oil and gas industry within 12 to 18 months, Prime Minister Viktor S. Chernomyrdin said Monday.

Speaking to U.S. energy-industry leaders, he also detailed some of the projected costs of halting the decline in Russian oil output that has been under way since 1989.

Mr. Chernomyrdin said \$10 billion to \$12 billion in investments would be needed to restore the thousands of existing oil wells in Russia that are not operating efficiently enough to produce.

He said a total of \$60 billion to \$65 billion would be needed by the year 2000 to build up other aspects of the energy sector, such as developing new oil fields and building up the oil-field equipment industry.

Russian Oil Privatization Plan

By Knight-Ridder

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U.S. FUTURES

By Associated Press

Grains

Table showing U.S. futures for grains including wheat, corn, and soybeans.

Metals

Table showing U.S. futures for metals including copper, nickel, and zinc.

Livestock

Table showing U.S. futures for livestock including cattle and hogs.

Financial

Table showing U.S. futures for financial instruments including Treasury bills and bonds.

Food

Table showing U.S. futures for food products including coffee and sugar.

Zurich

Table showing Zurich futures for various commodities.

U.S./AT THE CLOSE

Trade Deficit Grew in 2d Quarter

WASHINGTON (Combined Dispatches) — The U.S. merchandise-trade deficit, on a balance-of-payments basis, widened to \$34.4 billion in the second quarter, the Commerce Department said Monday.

It was the largest quarterly trade gap in five and a half years and the fourth widening in the trade balance in the last five quarters. The deficit was 17.3 percent wider than in the first quarter, when it was \$29.3 billion.

Separately, the government said sales of new homes fell 5 percent in July to the lowest level in four months, despite the lowest mortgage rates in more than two decades. Sales were at a seasonally adjusted annual rate of 629,000, down from a revised 662,000 a month earlier.

Insurers in Huge Asbestos Settlement

NEW YORK (Combined Dispatches) — Two insurers that provided Fibreboard Corp. with liability insurance in the 1950s have agreed to the costliest settlement of asbestos-injury claims ever proposed, the building-materials concern said Monday.

Chubb Corp. and CNA Financial Corp. agreed to increase their combined reserves for asbestos-injury claims to more than \$3 billion. Chubb said it would take an after-tax charge of \$358 million in the third quarter related to the settlement provision. CNA Financial, which is 83 percent-owned by Loews Corp., said it would take a charge of \$325 million.

It Was a Hot July for Bond Funds

NEW YORK (Knight-Ridder) — U.S. investors poured a record amount of money into long-term mutual funds last month, according to data released Monday by the Investment Company Institute.

Net new cash flow into bond and income funds surged to \$13 billion in July from \$10.6 billion in June. The previous bond funds monthly record of \$12.8 billion was set in January 1987.

Mercedes Truck Unit Will Expand

PORTLAND, Oregon (Bloomberg) — Mercedes-Benz AG said Monday its Freightliner Corp. American subsidiary would invest about \$90 million Deutsche marks (\$53.9 million) over the next two years to expand its truck production capacity in response to rising sales.

Truck sales rose 38 percent in the first half of the year to 17,200 vehicles. Mercedes-Benz said Freightliner planned to manufacture 48,000 trucks this year, and it said it aimed to raise the total capacity of its Freightliner plants to 60,000 vehicles a year.

UAW Picks Ford as Target Company

DETROIT (Bloomberg) — Ford Motor Co. was chosen Monday by the United Auto Workers as the target company to complete negotiations for contracts covering about 400,000 union members by midnight Sept. 14.

The union traditionally chooses one of Detroit's Big Three automakers to either finish negotiations by the deadline or face a possible strike. The UAW then bargains later with the other two carmakers.

Weekend Box Office

Table showing weekend box office for various movies including 'The Fugitive' and 'The Untouchables'.

Stock Indices

Table showing stock indices for various markets including S&P 500, NYSE, and NASDAQ.

Commodity Indices

Table showing commodity indices for various goods including oil, gold, and silver.

Market Quizzes

Table showing market quizzes for various financial instruments and indices.

Advertisement for 'For investment information read THE MONEY REPORT every Saturday in the IHT'.

Advertisement for 'For investment information read THE MONEY REPORT every Saturday in the IHT'.

Successor Chosen at GPA Group

DUBLIN — Dennis Stevenson, a London businessman, will replace Tony Ryan, founder of GPA Group PLC, as its chairman under a rescue package for the world's largest aircraft-leasing firm, aviation sources said Monday.

The sources said GPA's prominent non-executive directors — Nigel Lawson, a former British chancellor of the Exchequer, Gerard Fitzgerald, a former prime minister of Ireland, and Sir John Harvey Jones, a former chairman of Imperial Chemical Industries Ltd. — would also leave their posts under a plan worked out with General Electric Co. to save GPA.

GPA, straining under debts of \$5.5 billion, was pulled back from the brink of collapse in May when the financial-services subsidiary of General Electric, the American electronics, defense, broadcasting and consumer-products giant, agreed to buy 45 percent from it in return for the right to buy 65 percent to 80 percent of GPA's shares.

French Jobless Total Mounts

PARIS — The French government tried Monday to put a good face on its latest unemployment numbers, which, as expected, showed joblessness rising to a record 11.7 percent in July.

"This 0.8 percent rise is the smallest increase in the last six months, but unemployment is still growing faster than last year," the Labor Ministry said. The July total of 3.21 million jobless was 10.0 percent more than a year earlier, while the rate in June of this year was 11.6 percent.

Finance Minister Edmond Alphandery said in an interview

published Monday the economy had stabilized and a "real recovery" was expected to become evident within several months.

In the economic daily *Le Tribune*, Mr. Alphandery said: "In all likelihood, we are at the bottom of the cycle, at a weak level of economic activity. This floor should lead into a real recovery several months from now." He said the government's forecast the economy would "exit from the tunnel" by early next year was "far from being unrealistic."

Some analysts took an opposing view. "There is no improvement at all in today's figures,"

said Philippe Auverny, chief economist at *Credit Agricole*. "And everyone knows they are going to get worse."

The July figures were in line with market expectations and fit last month's forecast by INSEE, the French national institute of statistics.

Economic activity probably picked up in the second quarter, but analysts were pessimistic about the current period. "I think we'll see GDP falling off again in this quarter," said Bernard Godement of Nomura Research Institute Ltd. (AFP, Reuters, Knight-Ridder, Bloomberg)

Hoechst Profit Falls 31% as Demand In Germany Sags

FRANKFURT — Hoechst AG, one of the Big Three German chemical makers, reported Monday that first-half pretax profit had plunged 31 percent because demand and prices were particularly low in Germany.

The company said group first-half net profit dropped to 402 million Deutsche marks (\$241 million), from 583 million DM. Group sales dropped 2.4 percent to 22.8 billion DM from 3.45 billion DM a year earlier.

The company, the third largest German chemical maker to report weak first-half results, said business was worse in the second quarter than in the first and expected the remainder of 1993 to prove difficult. Last week, BASF said pretax profit had fallen by more than half, while Bayer AG reported a 20 percent decline.

"Business was weak in July and August and there is no sign of particular stimulus for the coming

months," the company said in a letter to shareholders. "Above all in Germany, we're expecting a very difficult second half."

The company said that because of these expectations, "projects aimed at cutting costs and improving structures will be continued speedily."

In Western European countries other than Germany, business kept to a low level, Hoechst said. It said that foreign operations increased profits, without giving figures.

Parent-company pretax profit plunged 47 percent to 342 million DM, from 643 million DM a year earlier. Parent-company sales fell 12 percent to 7.23 billion DM from 8.21 billion.

Hoechst Celanese, the U.S. fibers unit, recorded a 6 percent drop in sales, to \$2.1 billion. Sales in Africa, Asia and the Pacific basin fell 1 percent, while sales in Latin America showed a "slight gain."

(Bloomberg, Reuters)

Investor's Europe

Exchange	Index	Monday Close	Prev. Close	% Change
Frankfurt DAX		1,921.89	1,904.60	+0.91
London FTSE 100 Index		738.74	734.83	+0.53
Paris CAC 40		1,414.85	1,421.75	-0.49
Amsterdam CBS Trend		6,877.31	6,753.58	+1.83
Brussels Stock Index		1,521.89	1,504.60	+0.91
Frankfurt FAZ		738.74	734.83	+0.53
Helsinki HEX		1,414.85	1,421.75	-0.49
London Financial Times 30		1,414.85	1,421.75	-0.49
London FTSE 100		738.74	734.83	+0.53
Madrid General Index		302.99	302.71	-0.04
Milan MIB		1,391.00	1,379.00	+0.87
Paris CAC 40		1,414.85	1,421.75	-0.49
Stockholm Affarsvaerden		1,530.82	1,507.62	+1.54
Vienna Stock Index		439.10	437.48	+0.37
Zurich SBS		851.00	850.00	+0.12

Sources: Reuters, AFP
International Herald Tribune

Montedison Holders Back Legal Action

MILAN — Shareholders of Montedison SpA approved Monday a request from the new management to begin legal proceedings against former executives of the indebted Italian chemicals concern.

Guido Rossi, a securities lawyer brought in to become president in early June when the entire Ferruzzi group could not handle its debts, told shareholders at a meeting in Milan that a special audit of the group showed "irregularities, illicit acts and episodes of mismanagement."

Mr. Rossi said the acts were carried out under "tight and vigilant direction, and following precise instructions, by certain components of the parent company." He added, "These operations caused great losses and serious damages to your company."

The former executives concerned are Giuseppe Garofano, Carlo Sama, Roberto Magnani, Arturo Ferruzzi, Romano Venturi and the estate of the late Raul Gardini.

Monday's meeting dealt solely with Montedison SpA, the main operating subsidiary of the group.

CROW: U.S. Developer Managing to Get Through a Real Estate Collapse

Continued from Page 9

the decentralized, jet-jockey system of the 1980s," he said, and the downturn forced a change to management instead of building. "It's a nickel-and-dime, thin-margin, service-oriented business," he said. "It's tough, but it's our world."

The jet-jockey culture — Mr. Williams's phrase for the aggressive, build-more-now ethos of the 1990s — is what made Trammell Crow a success.

At its peak, the company was like a franchise operation staffed by bright young graduates from the best U.S. business schools: It sought out local partners who used their experience, market knowledge and connections to build in partnership with the parent company,

sharing not only a project's profits, but also the debt risk.

One former partner said the company "was almost socialist in nature — you took out what you needed to live on, and the rest stayed in the partnership." Salaries were small and partnership profits big, so the partners' paychecks were tied to continued building.

This is not particularly surprising for a company built in part on the theory that "the seller is always wrong" — one of the aphorisms attributed to Trammell Crow.

Three years ago, after the downturn hit, Crow management instituted a plan to deal with the plummeting values of its real-estate holdings by taking back partners' ownership interests in the buildings in exchange for forgiveness of debt,

removing "useless restrictions" would help stations' profitability. He told a media-industry conference the limit on the stake a single shareholder could own in a station would rise to 50 percent from 25 percent.

Another important measure was the possibility for channels to run a second advertising break during the broadcast of European films.

PARIS — France plans to relax curbs on television ownership and advertising, Communications Minister Alain Carignon said Monday.

The rules would benefit films and dramas produced in Europe by allowing increased advertising during such programs.

Mr. Carignon, giving a preview of a bill to be presented this fall, said

France to Relax TV Rules

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Very briefly:

- Oerlikon-Bührle AG, a conglomerate that sells armaments, shoes and vacuum technology, said its first-half net profit, at 15 million Swiss francs (\$10.1 million), had been hit by a 14 percent decline in revenue, to 1.38 billion francs; the adoption of new accounting standards meant the profit was not comparable with last year's first-half result of 5.3 million francs.
- FAG Kugelfischer Georg Schäfer KGaA, Europe's second-biggest ball-bearing manufacturer, said it had suffered a net loss of 103 million Deutsche marks (\$61 million) in the first half of the year.
- AMB Aschener & Münchener Beteiligungs AG, the German insurer, expects to pay a 1993 dividend of no less than last year's 10 DM a share.
- Puma AG Rudolf Dassler Sport swung to a net loss of 55.7 million DM in the first half of 1993 from a profit of 2.2 million DM a year earlier.
- Eli Lilly & Co. has acquired the Belgian-based European research and development unit of G.D. Searle & Co. (AFP, Bloomberg, AP)

NASDAQ

Monday's Prices
NASDAQ prices as of 4 p.m. New York time. This list is compiled by the AP. Consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	30-Day	High	Low	Latest	Change
120	100	IBM	4.00	4.00	12.5	120	120	100	120	0
100	80	Microsoft	0.00	0.00	15.0	100	100	80	100	0
80	60	Apple	0.00	0.00	10.0	80	80	60	80	0
60	40	Oracle	0.00	0.00	12.0	60	60	40	60	0
40	20	Sun	0.00	0.00	15.0	40	40	20	40	0

NYSE

NYSE prices as of 4 p.m. New York time. This list is compiled by the AP. Consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

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80	60	Apple	0.00	0.00	10.0	80	80	60	80	0
60	40	Oracle	0.00	0.00	12.0	60	60	40	60	0
40	20	Sun	0.00	0.00	15.0	40	40	20	40	0

AMEX

AMEX prices as of 4 p.m. New York time. This list is compiled by the AP. Consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

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60	40	Oracle	0.00	0.00	12.0	60	60	40	60	0
40	20	Sun	0.00	0.00	15.0	40	40	20	40	0

OTC

OTC prices as of 4 p.m. New York time. This list is compiled by the AP. Consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

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100	80	Microsoft	0.00	0.00	15.0	100	100	80	100	0
80	60	Apple	0.00	0.00	10.0	80	80	60	80	0
60	40	Oracle	0.00	0.00	12.0	60	60	40	60	0
40	20	Sun	0.00	0.00	15.0	40	40	20	40	0

AMEX

AMEX prices as of 4 p.m. New York time. This list is compiled by the AP. Consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	30-Day	High	Low	Latest	Change
120	100	IBM	4.00	4.00	12.5	120	120	100	120	0
100	80	Microsoft	0.00	0.00	15.0	100	100	80	100	0
80	60	Apple	0.00	0.00	10.0	80	80	60	80	0
60	40	Oracle	0.00	0.00	12.0	60	60	40	60	0
40	20	Sun	0.00	0.00	15.0	40	40	20	40	0

OTC

OTC prices as of 4 p.m. New York time. This list is compiled by the AP. Consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	30-Day	High	Low	Latest	Change
120	100	IBM	4.00	4.00	12.5	120	120	100	120	0
100	80	Microsoft	0.00	0.00	15.0	100	100	80	100	0
80	60	Apple	0.00	0.00	10.0	80	80	60	80	0
60	40	Oracle	0.00	0.00	12.0	60	60	40	60	0
40	20	Sun	0.00	0.00	15.0	40	40	20	40	0

NYSE

NYSE prices as of 4 p.m. New York time. This list is compiled by the AP. Consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	30-Day	High	Low	Latest	Change
120	100	IBM	4.00	4.00	12.5	120	120	100	120	0
100	80	Microsoft	0.00	0.00	15.0	100	100	80	100	0
80	60	Apple	0.00	0.00	10.0	80	80	60	80	0
60	40	Oracle	0.00	0.00	12.0	60	60	40	60	0
40	20	Sun	0.00	0.00	15.0	40	40	20	40	0

AMEX

AMEX prices as of 4 p.m. New York time. This list is compiled by the AP. Consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	30-Day	High	Low	Latest	Change
120	100	IBM	4.00	4.00	12.5	120	120	100	120	0
100	80	Microsoft	0.00	0.00	15.0</					

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NYSE Monday's Closing

Tables include the narrowest spread up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table of NYSE stock prices including columns for 12 Month High/Low, Div, Yld, PE, and various stock symbols like ABC INVESTMENT SERVICES CO, BUCHANAN FUND LIMITED, etc.

WEBS: In Tokyo, New Proposals for Unraveling Cross-Shareholdings

Continued from Page 9... the best possible returns for their pensioners or beneficiaries. Instead tend to make "policy investments" based on relationships rather than profit prospects.

Table of international fund prices including columns for 12 Month High/Low, Div, Yld, PE, and various fund symbols like MALLABR CAP MGMT, etc.

INTERNATIONAL FUNDS

Aug. 30, 1993. The marginal symbols indicate frequency of quotations supplied by fund houses.

Large table of international fund prices with columns for fund name, price, and other details. Includes sections for MALLABR CAP MGMT, MERRILL LYNCH, and various international equity and bond funds.

Table of international fund prices (continued) with columns for fund name, price, and other details. Includes sections for MERRILL LYNCH, MERRILL LYNCH, and various international equity and bond funds.

Table of international fund prices (continued) with columns for fund name, price, and other details. Includes sections for MERRILL LYNCH, MERRILL LYNCH, and various international equity and bond funds.

SPORTS BASEBALL

White Sox Widen AL West Lead, Giants Stay 4 Ahead of the Braves

Chicago's McCaskill Leads 13-5 Assault on the Twins

The Associated Press
Kirk McCaskill was just following orders.
In his first start since Aug. 3 and his second since June 14, McCaskill allowed one run on seven hits over six innings as the White Sox routed the Minnesota Twins, 13-5, on Sunday night in Chicago.

AL ROUNDUP

"I do what I'm told to do," said McCaskill, who was moved to the bullpen in late June. He walked two and struck out two.
"I'm just happy the team is winning and in first place," he added. "It's satisfying to get a win because in the position I'm in I don't get to make a significant contribution that often."

Frank Thomas provided the major offensive support with his 36th home run and three runs batted in, raising his major-league-leading RBI total to 109.

Bo Jackson hit a two-run homer, and Robin Ventura, Craig Grebeck and Tim Lincecum each drove in two runs as Chicago pounded three Minnesota pitchers for 18 hits.

The White Sox stretched their lead in the American League West to 4½ games over Texas and remained five games ahead of Kansas City.

The Twins have lost 11 of 14 games and nine of 12 to Chicago this year.

Blue Jays 6, Mariners 2: Roberto Alomar hit the first grand slam of his career and Joe Carter reached 100 RBIs for the fifth straight year as Toronto won at the Kingdome.

The Blue Jays averted their first-ever four-game sweep by Seattle. Even so, the Mariners won five of seven games against Toronto in the last two weekends.

Alomar's slam came in the third against Erik Hanson after three straight singles. Later in the inning, Carter's single gave him 100 RBIs for the seventh time in eight years.

Athletics 7, Tigers 3: Oakland stopped a nine-game losing streak and snapped Detroit's seven-game winning string with a victory at the Coliseum.

The Athletics' skid was their worst since 1986. They have not lost 10 in a row since 1979.

The Tigers' second baseman, Lou Whitaker, made two errors, leading to three unearned runs.

Royals 5, Red Sox 4: A day after striking out five times in an 11-inning loss to Boston, Greg Gagne singled home the winning run in the 12th in Kansas City.

Gagne was 0-for-27 against the Red Sox this season before his hit off John Oposso. Wally Joyner led off with an infield single. Gary Gaetti sacrificed and Kevin McReynolds was intentionally walked, bringing up Gagne.

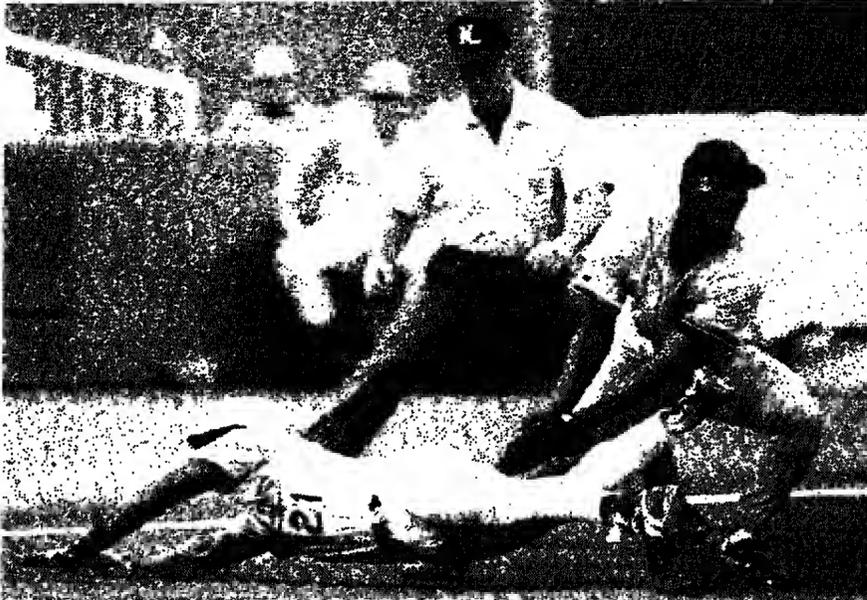
George Brett went 4-for-5 and stole his 200th career base. He joined Willie Mays and Hank Aaron as the only major leaguers with 3,000 hits, 300 home runs and 200 steals.

Orioles 6, Rangers 3: Jamie Moyer's off-speed stuff kept Texas off-balance, and Baltimore won on the road.

Moyer extended his shutout streak to a career-high 20 innings before the Rangers scored in the seventh. He became the first Oriole left-hander to reach double figures in victories since Jeff Ballard won 18 in 1989.

In earlier games, reported in some Monday editions:

Yankees 14, Indians 8: Paul O'Neill hit a three-run double and



The Giants' Salomon Torres tagging out Florida's Chuck Carr. In his major-league debut, Torres five-hit the Marlins for the victory.

New York scored six times after a controversial play in the sixth inning, turning around a lopsided game in Cleveland.

Dion Gagne drove in four runs for the Yankees, who overcame an early 7-2 deficit to gain a split of the four-game series. The 14 runs were a season high. The game was the Yankees' last ever at Cleveland

Stadium, site of many memorable meetings when they and the Indians were both baseball powers in the 1940s and '50s. The Indians will move to a new ballpark next season.

New York, still trailing, 7-4, in the sixth, had runners at first and second with two outs when Wade Boggs hit a grounder to the hole.

Feix Formin fielded it at shortstop and threw to Alvaro Espinoza at third, but Espinoza — his back to the bag and apparently missed when he waved his glove blindly at Nokes's legs.

Angels 6, Brewers 1: Mark Langston pitched six strong innings, giving California its first two-game

winning streak on the road since June 21.

Rene Gonzales doubled twice and drove in two runs, and J. T. Snow hit his 12th home run for the Angels. Milwaukee right fielder Juan Bell dropped a fly ball in the third inning, setting up Gonzales' bases-loaded double off Rafael Novoa.

San Francisco Ends Skid As Rookie Wins in Debut

The Associated Press
Salomon Torres began the season in Double-A Shreveport. He will not be back there anytime soon.

The San Francisco Giants' new face in the pennant race won his major-league debut on Sunday night, allowing just five hits and two walks in seven innings to beat

NL ROUNDUP

the Marlins, 9-3, in Miami.
The National League West front-runners, who begin a three-game series at Atlanta on Tuesday, retained a four-game lead over the Braves. Atlanta beat Chicago, 8-2, Sunday.

"I wasn't nervous," Torres said. "For the first batter I was excited. I walked him and then I realized, 'Let me settle down, or you're going to make a fool of yourself.'"

The 21-year-old, right-hander snapped the Giants' four-game losing streak, longest of the season. The Giants batted out 15 hits, all in the first six innings. Todd Beazinger hit a three-run homer, and Willie McGee and Royce Clayton each contributed a two-run double.

Torres gave up one run in the third on Darrell Whitmore's homer, and another in the fourth when he balked with a runner at third. But the rookie never looked rattled.

Torres' performance was especially welcome for the Giants' injury-plagued rotation. During the losing streak, each starter was knocked out by the sixth inning.

It helped Torres that his team took a quick 4-0 lead.

Rickert Faneys made his major-league debut as the Giants' leadoff hitter and played center field. He and Torres both singled for their first hits in the big leagues.
Dodgers 8, Cardinals 3: Mike Piazza hit two homers to drive in three runs and Orel Hershiser pitched six solid innings while increasing his batting average to .424 with an RBI double as Los Angeles beat visiting St. Louis. Allen Watson allowed six runs and 11 hits in 4½ innings.
Rockies 6, Mets 1: Lance Pineda, just recalled from Triple-A Colorado Springs, pitched a five-hitter for his first major league victory as the Rockies beat New York to split the four-game series at Shea Stadium.
Pirates 11, Yankees 6: Doug Brocail stopped a personal seven-game losing streak, pitching seven shutout innings as visiting San Diego routed Pittsburgh and rookie John Hope (0-1) to split the doubleheader. In the opener, Bob Walk, pitching while he appeals a lengthy suspension, stopped his four-game losing streak and San Diego's five-game winning streak for the Pirates. Andy Ashby's wild pitch set up two runs.
In earlier games, which were reported in some Monday editions:
Phillies 12, Reds 6: Danny Jackson gave up five hits in seven innings and Mickey Morandini and Wes Chamberlain each drove in four runs as Philadelphia used a 17-hit attack to beat visiting Cincinnati, salvaging the finale of a three-game series.
Expos 3, Astros 2: Marquis Grissom hit a three-run homer off Greg Swindell in the fifth inning and Ken Hill tossed five-hit ball for seven as Montreal beat Houston to sweep the three-game series at Olympic Stadium. Montreal has won four straight games, and handed the Astros their fourth loss in a row.

If It Sells Like a Duck, It Must Be Disney's New Anaheim NHL Team

By Richard Sandomir
New York Times Service
ANAHEIM, California — First came the film, which grossed \$50 million.
Then the arena. Then, the T-shirts, caps and jerseys with the snarling duck-goose logo.
And on Oct. 8 will come the team. Disney's Mighty Ducks of Anaheim.
The advent of the Ducks is not your ordinary expansion-team story. This wasn't a hockey-starved region — like the Denver area, which got the Colorado Rockies baseball team — or Southern California already had the Los Angeles Kings to the north.
This was a country lacking in sports, for it has the California Angels and Los Angeles Rams playing across the freeway in Anaheim Stadium.
No, it was a team inspired by "The Mighty Ducks," the little G-rated Disney movie about the actor Emilio Estevez whipping a bunch of young wisecracks and misfits into a hockey team, a film that grossed \$50 million and will spawn a sequel to be released during the season.
The movie, Michael Eisner, the chairman of Disney, has said, "was our market research" for the real Ducks.
Five weeks before the Mighty Ducks take the ice on the Pond (officially, the Anaheim Arena) against the Detroit Red Wings, the reality is that the team is far more than merely another sports enterprise. It is a slickly marketed new division of the \$7.5 billion Disney machine, a venture that will

target the family culture so familiar to the company and capitalize on Disney's vast resources.
Orange County is said to have the type of affluent residents and families expected to be the fan base for the Ducks.
"No one said hockey shouldn't be a family entertainment," said Tony Tavares, the hyperkinetic president of Disney Sports, the corporate parent of the Ducks. "It'll be hockey, but it'll be marketed across the board."
And marketed with its silly name. Of course, Eisner loves it. So it will stick. In time, it will seem no sillier than the Penguins.
"A lot of people have said the name is stupid and the logo is stupid," said Tavares. "All I know is the kids love it."
Disney's fine hand can be seen in the duck-goose mascot and in the green-and-gold-and-white uniforms. The company built the team's offices, will mastermind the opening-night show and will design between-period amusements.
"There won't be a lot of froufrou," said Tavares. "Tinkerbell won't be in the rink." In fact, none of the familiar Disney characters will cobble with the Ducks, not even Donald or his nephews.
Already, Disneyland outlets and Disney's 225 stores are selling Ducks' merchandise, which has overtaken off-season sales of the National Hockey League's licensed goods and spurred investigations of counterfeit Duckware.
The smell of paint still permeates the Pond, which opened in late June with a Barry Manilow

concert. It is a whimsical, gaudy arena, a striking building with soaring exterior green-glass archways, marble trim and a coral-colored motif.
The Pond was built on speculation, in Anaheim's hope that a basketball or hockey team could be lured. Securing the Ducks to play in the \$103 million building, with its palm trees swaying outside and its marble floors and wainscot-

temporary in the sales of season tickets, having slowed at about 11,800, short of the 15,000 target. Tavares had hoped to hit 14,000 by now.
The team has sold 60 of its 82 luxury suites, at prices ranging from \$69,000 to \$99,000, and about 1,000 of its premium seats.
From wherever fans watch the Ducks, they will see a team that will not be highly competitive for several years, like most other expansion teams. They will see an organization built in barely six months, compared with three times that preparation time for baseball's newest expansion teams.
"We're run crisis by crisis," said Tavares. "There's an issue a minute."
General Manager Jack Ferreira has approached assembling the Ducks the same way he did with the San Jose Sharks several years ago, with the happy exception that the NHL, let existing teams keep only one goalie in the expansion draft, allowing the Ducks and the Panthers to start life with stronger net care.
The Ducks drafted goalie Glenn Healy. He was taken by Tampa Bay in the secondary phase of the expansion draft and then traded to the Rangers. Anaheim's No. 1 goalie is now Guy Hebert. Among the other noteworthy players on the Ducks' roster are the defenseman Alexei Kasatonov and Randy Ladouceur, and the forwards Steven King, Troy Loney and Stu Grimson.
"We have a pretty good base to start with,"

said Ferreira, adding that he has loaded up on big, strong players. "I didn't want a team that could be pushed around. You want respect. You go to the other team's building, and you don't get respect for being an expansion. We need to compensate with size."
A muscular team might be a code word for a violent one, which would not reconcile with Disney's image. Throwing off the gloves and punching opponents bloody do not jibe with "The Little Mermaid" or "Aladdin."
Team officials sidestep the violence issue, saying the team is built to fight back, not be a band of Broad Street Bullies West.
In the marketing of any team, especially an expansion franchise, there is hype. The exaggerated expectations are usually met in the early years, as the novelty keeps people rapt. Disney, a company that has continually remade itself, presents a case for unabashed hype of the sort never before seen in American sports.
How much the Ducks will contribute to Disney's income is unknown, but they are not a big investment by Disney's standard of megaprojects.
"At \$50 million, it's not a meaningful part of Disney," said Lisbeth Barron, an analyst for S.G. Warburg, a securities company.
"Typically," she added, "it's not the type of investment that you get a short-term return from, but if they can exploit it for other filmed and entertainment products, they have a good chance at longer-term profits."

Ballesteros Gets Wild-Card Berth On Ryder Team

The Associated Press
VIRGINIA WATER, England — Seve Ballesteros, struggling through his worst season since turning pro 19 years ago, was given a wild-card berth for Europe's Ryder Cup team on Monday.
The 36-year-old Spaniard joined his compatriot Jose-Maria Olazabal and Sweden's Joakim Haeggman as the three choices by the team captain, Bernard Gallacher. Ballesteros hasn't won a tournament since March of last year, and ranks 38th in the final Ryder Cup standings, used to determine the top nine automatic berths.
The Europeans face the Americans at The Belfry in Sutton Coldfield, England, on Sept. 24-26.
The three named Monday join Bernhard Langer of Germany, Colin Montgomerie, Italy's Costantino Rocca, England's Barry Lane, Welshman Ian Woosnam, Englishman Peter Baker and Mark James and Scotland's Sam Torrance. Haeggman, 24, is the first Swede to be named to the team.

DENNIS THE MENACE
"AT LEAST WE KNOW WHERE HE IS."

PEANUTS
"WHAT A CURIOUS FEELING, SAID ALICE"
"SHE WAS NOW ONLY TEN INCHES HIGH."
"NOW SHE WAS MORE THAN NINE FEET HIGH..."
"HOW CAN I HAVE DONE THIS? SHE THOUGHT."
"I MUST BE GETTING SMALL AGAIN!"
"RIGHT"

CALVIN AND HOBBES
"OK, BIKE. LISTEN UP! I DON'T LIKE YOU AND YOU DON'T LIKE ME."
"BUT THE GUY GOT THE TOOLS TO REDUCE YOU TO A PILE OF PIPES, SPOCKETS, AND BULL BERNERS! DO WE UNDERSTAND EACH OTHER?"
"MAAAA"
"MAYBE ALTOGETHER TOO WELL."

JUMBLE THAT SCRAMBLED WORD GAME
TISUE
CREYM
RATVAC
WHOALL

BLONDIE
"APPEARING TO BE A BOWLING CENTER."
"HOW'D YOUR BOWLING TEAM DO TONIGHT?"
"WHEN THE MATCH WAS OVER I WAS CARRIED SHOULDER-TO-SHOULDER."
"AND YOU'D HIM NEVER EVER TO COME BACK IN AGAIN!"

WIZARD OF ID
"WE CAUGHT THIS MAN POACHING EGGS FROM THE ROYAL HEN HOUSE!"
"GODD WORK! WHAT GAVE HIM AWAY?"
"THE BELL ON HIS THREE MINUTE TIMER"

BEEBLE BAILEY
"Y'KNOW, IF WE WERE MARRIED I'D LET YOU COME AND GO AS YOU WANT"
"I'D LET YOU EAT, SLEEP, DRINK... ANYTHING YOU WANT"
"I DO ALL THAT NOW"
"YES, BUT I'D BE LETTING YOU"
"MOK WALKER"

REX MORGAN
"MAKE WAY, FOLKS... MEN AT WORK!"
"EXCUSE ME... I'M DR. CAVELL... THIS IS MY APARTMENT!"
"RIGHT... JUST DON'T GET IN THE WAY, DOGS... I CAN CHAT LATER!"

DOONESBURY
"DO I HAVE A LIFE? I DON'T KNOW. IF I DO, IT'S A PRETTY GOOD ONE."
"WHAT THE HELL ARE YOU SAYING?"
"I AM, BUT SOMEBODY'S LINE TO GET ALONG PEOPLE'S FEELINGS TO SEE IF I CAN HELP OUT."
"DREAMS? YOU MEAN, I'M FALLING ASLEEP IN THE MIDDLE OF MY SHOW?!"
"WHY NOT? YOUR LISTENERS DO, DON'T WORRY ABOUT IT."

GARFIELD
"EACH OF THESE COOKIES CONTAINS ONLY ONE RAISIN"
"OKAY, I'LL TRY ONE"

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SPORTS TENNIS

Complete Sampras Is Looking Out for Title, Not for No. 1

By Robin Finn
New York Times Service

NEW YORK — The complete Pete Sampras is a formidable tennis weapon who has, at least in the naked eye, no apparent flaws as he takes aim at the U.S. Open, the tournament that has historically been as much of a breakthrough as a breakthrough event for him.

This year's Open is especially pivotal to Sampras, not only because he wants to avenge the most traumatic defeat of his career, last year's first-round loss to the two-time defending champion Stefan Edberg, but also because an Open championship is the bookend he needs to balance his 1993 Wimbledon title and regain his No. 1 ranking.

Sampras, an unrepentable, modest guy who has few close friends, says he is not nervous, but he is clear that being No. 1 at year's end would legitimize his status.

"But the ranking is just a side show to winning the Open," said Sampras' coach, Tim Gullickson, the man who plotted the course that sent him to the top spot in April and then helped him secure a childhood dream at Wimbledon.

When the 19-year-old Sampras used 100 aces to serve himself the Open title in 1990, he spent those two weeks in a "zone," he said later, that defied comprehension or categorization. Why had he won?

A year later, Sampras returned to the most defensive of defending champions, overburdened by

expectations and more than a little irritated at himself for transferring not one lot of confidence from 1990 to 1991. He was only too happy to take advantage of the defending champion's discomfort and ousted him in the quarterfinals. When Sampras called the dead end to his first Grand Slam title defense a relief, his remark raised the eyebrows of the tennis establishment and was wrongly interpreted as Sampras' admitting he was glad to lose.

Sampras returned last year with a different attitude: harder, more workmanlike and not anyone's cry-baby. He even used that term to describe what he was not, and then crushed his way into the final despite coming down with a stomach virus on the final weekend of the tournament. Two years without a Slam title suddenly seemed too long to Sampras.

Sampras, already hailed as the most talented man in his sport by no less an expert than John McEnroe, will approach the Open from the vantage point of being No. 2. His body has been trained to a muscular fare-thee-well by Pat Eubank, the same man who keeps Sampras' most dangerous adversary, Courier, in fighting form. Sampras' motivation is clear, his confidence is unquestioned and he's grown more competitive in direct proportion to the raising of the stakes that surround him.



No. 1 Steffi Graf stroking a return to Robin White en route to 6-3, 6-0 first-round victory Monday.

Ferreira Upsets Korda, Navratilova Sets Records

NEW YORK — Wayne Ferreira of South Africa became the first player to eliminate a seeded player at the 1993 U.S. Open, ousting the ninth-seeded Petr Korda of the Czech Republic on Monday, 7-6 (7-2), 6-4 (9-7), 7-6, 6-2.

It was another significant Grand Slam victory for the 22-year-old native of Johannesburg. Last year he ended John McEnroe's impressive run at the Australian Open.

For Korda, it was yet another disappointment on the hard courts of the National Tennis Center. In his five trips to Flushing Meadows, Korda has won only one match, in 1990, when he reached the second round.

While the computer rankings made Korda the favorite, the result was not that surprising. Ferreira was the tournament's 13th-seeded player last year and is currently ranked 19th in the world.

Earlier, Martina Navratilova wrote another page in the U.S. Open record book as she and Steffi Graf easily won first-round matches.

Playing in her 21st consecutive tournament, Navratilova needed only 50 minutes to beat Gloria Pizzichini of Italy, 6-0, 6-1. That was eight minutes longer than it took Graf to demolish Robin White, 6-3, 6-0.

In a light first day to this two-week tournament, the ninth-seeded Andre Huber of Germany defeated Karin Kschwendt of Luxembourg, 6-2, 6-2, and No. 10 Magdalena Maleeva of Bulgaria eliminated

Marianne Werdel of the United States, 7-5, 6-4.

Pizzichini had reached the third round at Wimbledon this summer. Here, she became only a footnote: the opponent in Navratilova's 105th U.S. Open match, 10th of Chris Evert's career record.

There was nothing special about Navratilova's game on Grandstand Court. But then, there did not have to be as Pizzichini's only tactic to make the match longer was by playing slowly.

Graf, seeded No. 1, was the first to take Stadium Court on Monday — and the first to advance into the second round. And while White battled Graf evenly through the first six games as the German tried to find the range on her forehand, White soon found she didn't have

enough weapons to combat Graf's arsenal.

Graf won 54 points, more than twice as many as her opponent, and hit 21 winners, compared with only five for White.

Navratilova, who knows her place in history, broke Virginia Wade's record of playing in 20 consecutive tournaments.

"I've been beyond proving anything for a long time now," Navratilova said. "This is a golden time, and I'm just enjoying the ride."

She is also enjoying rewriting the record book, which changes almost every time she takes to the court.

Navratilova is seeded third this year, a record 19th consecutive time she has been seeded in this tournament, the year's final Grand Slam event. She had been tied with Jimmy Connors and Chris Evert for most years seeded.

And while she has won four U.S. Open titles, she hasn't won at the National Tennis Center since 1987 when she defeated Graf.

"I have to think that I'm capable of winning the big one, that I can win the U.S. Open," Navratilova said recently. "That's what I'm shooting for, that's what's in the back of my mind. But I really don't have any expectations other than to give it my best shot."

In other early first-round matches, Britain's Claire Wood defeated Miriam Oremans of the Netherlands, 6-3, 6-1, and Taiwan's Shiang Wang stopped Stephanie Reuter of the Netherlands, 6-0, 6-2.

SIDELINES

Unser Wins Vancouver Indy Race

VANCOUVER, British Columbia (Reuters) — AJ Unser Jr, winless since the 1992 Indianapolis 500, triumphed in the Vancouver Indy race after a frantic battle with last year's champion, Bobby Rahal, while Nigel Mansell narrowly missed out.

Sweden's Stefan Johansson finished third in the 102-lap race on Sunday. Mansell, the Indy points leader, who started in the third position on the grid, had handling problems for most of the race and called it the toughest race he had ever raced. "We stayed out for two extra laps before making our second pit stop for fuel and tires, and the move really paid off," said Unser, whose margin of victory was 11.199 seconds.

For the Record

North Carolina, ranked 20th in the national college football poll, spoiled John Robinson's return as a 184-ranked Southern Cal. by cruising to a 31-0 victory on Sunday in Anaheim, California. (AP)

The German international footballer, 29, has quit Borussia Dortmund to join Urawa Red Diamonds in the Japanese soccer league. Borussia said Monday that the move is said to have signed a \$900,000-a-year contract that expires in 1994. (AP)

Top draft pick Alex Rodriguez, 18, and the Seattle Mariners agreed Monday on a three-year, \$15-million contract worth \$1.6 million, the most ever for an amateur selection. (AP)

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE				NATIONAL LEAGUE				
Team	W	L	Pct.	Team	W	L	Pct.	
East Division								
New York	75	57	.568	Philadelphia	71	62	.532	
Toronto	75	57	.568	Pittsburgh	71	62	.532	
Detroit	70	62	.527	Cincinnati	67	66	.508	
Baltimore	67	65	.508	St. Louis	67	66	.508	
Chicago	67	65	.508	San Diego	67	66	.508	
West Division								
Los Angeles	75	57	.568	Atlanta	75	57	.568	
San Diego	70	62	.527	San Francisco	70	62	.527	
Seattle	67	65	.508	Los Angeles	67	65	.508	
Oakland	67	65	.508	San Diego	67	65	.508	

SCOREBOARD (Continued)

Baseball (Continued)

Team	Score	Opponent
San Francisco	4-5	San Diego
Los Angeles	6-3	San Diego
San Diego	5-7	San Diego
San Diego	5-7	San Diego
San Diego	5-7	San Diego

SCOREBOARD (Continued)

Baseball (Continued)

Team	Score	Opponent
San Diego	5-7	San Diego
San Diego	5-7	San Diego
San Diego	5-7	San Diego
San Diego	5-7	San Diego

SCOREBOARD (Continued)

Baseball (Continued)

Team	Score	Opponent
San Diego	5-7	San Diego
San Diego	5-7	San Diego
San Diego	5-7	San Diego
San Diego	5-7	San Diego

SCOREBOARD (Continued)

Baseball (Continued)

Team	Score	Opponent
San Diego	5-7	San Diego
San Diego	5-7	San Diego
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ART BUCHWALD

Presidential Memories

MARTHA'S VINEYARD. Massachusetts — The presidential vacation on Martha's Vineyard is over, and no one here will ever be the same. The calls keep coming in from around the country: "Did you see the president?" "No one in his right mind would admit he didn't see Bill Clinton so we have to make things up."



Buchwald

Hillary never returned my corn pudding recipe. "I told the president if he really cared about Martha's Vineyard, he'd give every one of us a new septic tank." "Bill and Hillary made us promise on the beach if we came to Arkansas to be sure and look them up." "What I loved about the Clintons on the Vineyard is that they did everything we wanted to do."

Film Variations in Red, White and Blue

By Joan Dupont

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PEOPLE

Young, Single, Royal: Matchmakers' Voyage?

The royal "Love Boat" has set sail. Most of Europe's unmarried princes and princesses began a cruise Monday, and many European newspapers are already mixing and matching. Royalty from all over Europe attended the 25th wedding anniversary celebrations for King Harald V and Queen Sonja on Sunday, and tabloids are keeping their eyes on the three-day tour of Norway's fjords. The sailing singles include princes and princesses, age 16 to 29, from Britain, Norway, Denmark, Sweden, Spain and the Netherlands and the exiled royals of Greece. Meanwhile, the Japanese press is also sensing love in the air. Princess Nori, daughter of Emperor Akihito and Empress Michiko, left for Europe on Monday, and the mass circulation weekly Shukan Bunshun claims that a discreet meeting has been set up at a Belgian chateau with a possible fiancé, Toshimasa Boga, 31, an architecture student.

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China Lifts Film Ban

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China Lifts Film Ban

"The big question that was never resolved by Clinton's visit was, were there more sharks in the water or more in the White House press corps?" "We have mixed feelings on the Clintons. Half of us are pleased they chose the island. But the other half objects strongly to David Geffen wanting to change the name to 'Hillary's Vineyard.'"

WEATHER

Weather forecast section including maps for Europe, North America, Asia, Middle East, and Latin America, with temperature and precipitation data.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to a puzzle from Aug. 30.

If you're going to travel all over the map, here's how to call from almost any point on it.

Large advertisement for AT&T Access Numbers, featuring a man on a phone and a list of international numbers for various countries.

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